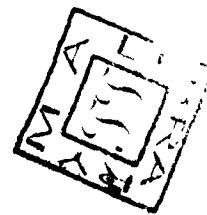




# **An Analytical Study of Collective Bargaining in Food Corporation of India**

**DISSERTATION SUBMITTED  
IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF  
MASTER OF BUSINESS ADMINISTRATION**

**UNDER THE SUPERVISION OF  
<sup>MR</sup>  
DR. ASIF HALEEM  
Reader**



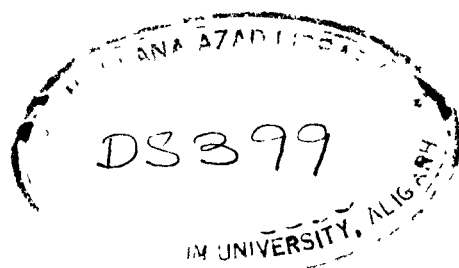
**BY  
HESHAM UDDIN NAIYER**

**DEPARTMENT OF BUSINESS ADMINISTRATION  
ALIGARH MUSLIM UNIVERSITY  
ALIGARH**

**1981**



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May 24, 1982

Certified that Mr. Hesham Uddin  
Naiyer, student of M.F.A.(Final) has  
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"An Analytical Study of Collective  
Bargaining in Food Corporation of India"  
under my supervision.

I am satisfied that the work  
is based on the investigations made and data  
collected by him.

  
( ASIF HALEEM )  
SUPERVISOR



## A C K N O W L E D G E M E N T


It is with a view to express my profound gratitude to my Learned teacher <sup>Mr</sup>~~Dr~~. Asif Haleem under whom I had the proud privilege to work. His keen interest, affectionate guidance and sympathetic attitude, has always been a constant source of inspiration to me.

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( HESHAM UDDIN NAYER )

## P R E F A C E

Maintenance of industrial harmony today is a complex problem. Machineries of prevention and settlement of disputes have been evolved in many countries. Some machineries are disastrous in their ultimate result and some are militant in their operation.

"Collective Bargaining" is a widely accepted method of achieving peace in an industry. It takes place when a number of work people enter into negotiation as a bargaining unit with an employer or a group of employer with the object of reaching agreement on conditions of employment, wages, holidays, overtime, working conditions and employment etc. It is far from an individual worker to secure all these benefits which is charged in collective bargaining when all workman of a particular class and employers of a particular industry bind themselves into agreement.

The present study of 'attitudes' is related with the collective bargaining in Food Corporation of India, Delhi.

No doubt, the management takes the attitudes surveys from time to time on variety of aspects. But there is probably no other aspect stronger than collective bargaining in which management and Union peoples

are interested. And the study gives a clear idea of opinions of all the three namely--employees, management and the Union leaders in respect of joint consultations, process of collective bargaining, multiplicity of union and the move of strike as a solution to the problem.

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COLLECTIVE BARGAINING

" COLLECTIVE BARGAINING IS ESSENTIALLY A COMPROMISE AND  
BALANCING OF OPPOSING PRESSURES OF TWO SOCIAL GROUPS WHO  
HAVE ENOUGH MUTUAL INTEREST AND GOALS TO REACH A WORKABLE  
AGREEMENT VOLUNTARILY.

BARGAINING IS A SOCIAL PROCESS. THE OBJECTIVE  
IS TO WORK TOWARDS A NEW EQUILIBRIUM OF SOCIAL FORCES AND  
TO MAKE IT EASIER TO MAINTAIN THIS NEW EQUILIBRIUM TO THE  
EXTENT THAT THESE PRESSURES CAN BE RECONCILED, CONFLICTS  
CAN BE REDUCED".

KEITH DAVIS

## CHAPTER I

### INTRODUCTION

#### 1.1 DEFINITION/CONCEPT OF COLLECTIVE BARGAINING

The emergence of the Trade Union as an essential and leading institution is the most important event in the history of management. Rarely, if ever, has an institution influenced the entrepreneur as has the Trade Union. Today, the unions plays a pivotal role in any organisation. Indeed, the health of an enterprise can be easily judged by the industrial relation maintained in that organisation. The process of collective Bargaining and grievance system set the pace for industrial relations in a company. In fact, collective bargaining is the "most successful democratic process in establishing labour partnership in the industry"<sup>(1)</sup>

1.2 Collective bargaining is mainly a process in which the union representatives and the representatives of the management meet discuss and negotiate a contract, which specifies the nature of the relationship. "The word 'collective' implies that the representatives are trying to negotiate agreements for groups of employees. Bargaining is the process of meeting, presenting demands, discussing, presenting counter offers, higgling, cajoling, threatening etc. which go into the negotiation of an agreement"<sup>(2)</sup>

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1. Shri P.Ghosh, Personnel Adminstration in India, p.25.

2. Edwin.B. Flippo, Principles of personnel management.



Working men bargain collectively, when they or their representatives negotiate and adjust conditions of their employment with the employer. There is no exact definition which has the finality and precision of a mathematical formula. Labour is brought and sold like a commodity, a price is offered for it, another may be asked for too, and some where between the two figures a price may be set upon it. Acting alone, one person sells his services to an employer who buys the work of many hands. As an individual the employee has little or no influence upon the terms of his employment because he is bargaining alone. But many employees acting together in a Trade Union attain lot of bargaining power.

1.3 Collective bargaining is, therefore, a process of give and take. More often than not it is the employer who take. In a way, collective bargaining is a process which imposes certain restrictions upon the employer; he is no longer in a position to take unilateral action; he has to treat all employees equitably; he can change the major conditions of service only at fixed intervals and with the agreement of the union. In short, the employer is not free to make and enforce employment decision at will. He has substantially less authority than he had previously. "Under certain circumstances collective bargaining is a solution for industrial conflict. The process reconciles the conflicting interests of two sides which can not get along without each other".(3) Most of the personal issues are not of the

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(3) S.T. Williamson and Harbert Harris: Trends in collective bargaining.

objective type and are not susceptible of clear cut answers. In other words, there is no certainty that the management will arrive at the correct answer by itself. "For that matter, it is not certain that the decision taken through collective bargaining will be the right one. But in matters involving equity and right treatment, the voicing of all interests will probably lead to a better decision. At the same time it should be recognised that the process of collective bargaining is by no means easy and is often exasperating, both for the management and the union".(4) Even so, collective bargaining is the best answer available for a problem that defies quantitative measurement and mathematical answers.

1.4 Many persons, including employers, fail to realise that the conclusion of an agreement about wages and working conditions is merely the beginning. For the practice of collective bargaining goes far beyond the initial stages of haggle, give and take. It is a way through which management and organised labour learn to live together. It is a continuous, adoptable process through which a negotiated agreement is only the introduction, and its success or failure largely depends upon the spirit and attitude of those who practice it or are covered by it. As a matter of fact, in an ideal situation, joint consultations or dialogue with the union should be kept on irrespective of the fact whether there is a dispute or not.

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(4) Edwin, B. Flippo : Principles of personnel management.

1.5 Though collective bargaining presents difficulties, it is a "necessary practice for preserving labour-management autonomy in a democratic society. If third parties are to settle labour disputes, the freedom of the management and the workers will be correspondingly reduced".(5) Collective bargaining, therefore, serves the long-term interests of both the employer and the employee. It affords a progressive union enough opportunity to demand "flexible job-oriented training programmes, benefits plans, economic security"- schemes for proper development of the members etc. Similarly, the process of collective bargaining gives opportunity for the management to bargain for "restrictive work practices and improving the productivity of employees". The stake of both is crucial. Management's objectives is to ensure a self-disciplined labour force with faith in the enterprise and the desire to contribute to its success. Employee's stake is the building of even larger security and ever larger participation in shaping the way of work. The aims of both can add up either to unprecedented team work or unprecedented turbulence. It is up to every management and every union to decide which it is going to be.

#### THE PROCESS OF COLLECTIVE BARGAINING

1.6 There are certain fundamental procedures and stages of action that deserve mention (1) prenegotiative phase,

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(5) Shri P. Ghosh, Personnel Administration in India, p-269.

- (2) selection of negotiators (3) strategy of bargaining,  
(4) Tactics of bargaining and (5) The contract/Agreement.

1.7 By far the major pre-requisite for modern collective bargaining serious is preparation for negotiations. At least three to four months preparation is involved. The union is an institution engaged in the full time job of protecting and improving the status of the employee. The company can ill afford to consider collective bargaining as a minor duty which merits little special attention. The management must match the union in effort, energy, skill and enthusiasm if a true bargain is to be affected.

1.8 The pre-negotiation phase of the process is very vital. Data of all types should be collected very carefully by the management, including facts and figures on more important items like wages, hours of duty, holidays, seniority rules etc. "Data should be collected based on area-cum-industry practices"(6)

The modern union is an efficient business organisation in itself. The management will have to be equally efficient, if not more.

1.9 It is also important for the management to study very carefully the philosophy and strategy of the particular union. Not only must the organisation be analysed

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(6) Shri P. Ghosh, Personnel Administration in India.p-269.

but the background and the personality of the particular union negotiators must also be studied. As mentioned by Flippo "part of the bargaining process is acting and part of it is bluff". If the management representative knows little about the union and its leaders, how can he tell whether the union will back up particular demands by a strike or will consent to make further concessions ? Collective bargaining is an art that can be improved by study and advance preparation.

#### SELECTION OF NEGOTIATORS

1.10 On the management side any senior officer can be included in the team. The team approach is prequently used there by broadening the base of participation. The negotiators should have a thorough knowledge of the working conditions and past employee - employer relationships in order to be able to negotiate properly.

" The members of the negotiating committee should have the freedom to participate freely but there should be only one management spokesman who will have the authority to accept or reject or modify the union demands"(7)

1.11 It is generally considered a sound practice to keep the ~~top~~ man out of the negotiation process. If he is present on the bargaining team, he may be forced to given an instant 'yes' or 'no' on an issue that deserves more

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(7) Shri P. Ghosh, Personnel management in India, P-272.

careful consideration. Because of the nature of the bargaining process, delays for the purpose of re-evaluation of the positions are often desirable. The union is also generally represented by a team.

### STRATEGY OF BARGAINING

1.12 The collective bargaining session is a highly important event to management as well as to the union. Labour costs are quite significant and have a tendency to increase with the passage of time. Since there is no specific formula which provides the answer to labour management problems, bargaining, which implies some give and take, must provide the answer. Since this is really a bargain, it is important for management to plan its strategy and tactics in advance i.e. before entering the conference room (strategy is concerned with the mapping out the plan and basic policies to be followed in the bargaining process. Tactics are the particular action which are taken while at the bargaining table). The union will also have a strategy and follow certain tactics to promote the accomplishment of their objectives.

1.13 Before management even enters the conference room the basic plan must be worked out. The key personnel must agree on the maximum concessions that can be granted to the anticipated demands of the union. More often than not,

the union intimates the demands in advance. Alternatively, the management can see the resolutions passed by the union. Management must of-course determine which demands they believe are serious objectives of the union and which constitute smoke screens to advance those serious objectives. The determination of concessions in the area of wages and fringe benefits must rest on a detailed study and analysis of all relevant data. The management must know how far it can go before it will seriously risk the possibility of a work stoppage.

1.14 Some of the unions also try to include 'mutual agreement' clauses in the contract. These clauses provide that in matters like promotion, transfer, change-of-work-procedures, retrenchment etc. decisions shall be made and applied only by mutual agreement of the two parties. This binds very effectively the hands of the management. There is, how ever, no objection if the agreement states the basic conditions necessary for promotion, transfer etc. leaving it to the management to make decision and execute them on the basis of the contract. Requiring mutual agreement before taking action will act as a virtual veto in the hands of the union.

1.15 An important element of management bargaining strategy is the adoption of a basic attitude of not being afraid of a strike. The union is fully aware of the fact

that the strike is its most potent bargaining weapon. It is not apposed to using this weapon in its threat form, but neigher management nor union likes to have a strike. Besides, a decision to strike work is not taken in a moment. There is a basic and long drawn out process through which the union must go before finally resorting to strike.

✓ Management should, therefore, study the psychology of the union leaders and be able to determine the probability when this nuclear weapon in the armoury of the union is being used as a threat and when it is an imminent event.

#### TACTICS OF BARGAINING

1.16 Union demands should be analysed and classified under three categories. First, those items should be selected where there is a possibility of a settlement, secondly, those items which must be rejected, and thirdly, the items which require hard bargaining.<sup>(8)</sup>

1.17 One of the commonly used tactics of the union is attempt to get management to settle in a piece-meal manner i.e. clause by clause. A very logical appeal is made to the effect that the present contract should be analysed clause by clause, and then that each clause should be revised and agreed upon before proceeding to the next. Management should avoid this type of bargaining. It must view the agreement in its entirety and bargain for the entire package.

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(8) Shri S.P.Gosh, Personnel Administration in India, p-273.



1.18 In the event of a dead lock in the bargaining process a recess may help the situation or a sub-committee composed of members of both sides can be appointed to investigate the dispute while the committee can continue with the main agenda. Alternatively, the disputed items can be postponed until the other terms of the agenda are completed.

1.19 It is necessary to avoid late-night or excessively extended sessions. The agreement is one that both parties must live with for a year or, two, and conclusions reached in a mood of frustration and fatigue are not likely to improve the labour management relations.

1.20 Some times the union makes a demand that is completely within the limits of bargaining concessions. Contrary to popular belief the union will not be happy if the management readily concedes. Rather than concede immediately, it is perhaps better tactics to resist for a time. The very nature of the bargaining process would lead to suspicion and disappointment on the part of the union if management should give in immediately with little or, no fight-the union will be disappointed. Besides on the next occasion, the union would increase its demand since management had showed that it could meet the earlier one, so easily.

1.21 Critics of collective bargaining have decried horse trading and have argued that a presentation of facts and problem-solving approach should be substituted for haggling. This may not be possible. There are many problems for which the correct answer is either not known or when known, is highly objectionable to one or the other party. It is not realistic to insist that there should never be any trading of concessions. If both parties could ascertain all necessary facts, and could be objective, it would perhaps be possible to bargain on a semi-scientific basis, but such a situation is not likely to occur in the foreseeable future.

## THE CONTRACT

1.22 A peculiar feature of the process of collective bargaining is that it does not stop with the signing of the agreement, rather it begins with it. As mentioned above, it is a continuous process. The exact meaning and intention of each decision will be spelled out in day-to-day administration.

1.23 The following aspects are some of the important items covered by the contract of collective bargaining.

- (1) Union security                  (2) Job security  
(3) Grievance Procedure        (4) Wages including allowance  
(5) Bonus      (6) Fringe benefits  
(7) Hours of work, holiday (8) Promotion, stagnation,  
transfer and retrenchment.  
(9) Intensive and work study  
(10) Management responsibilities.  
(11) Safety and health.

## COLLECTIVE BARGAINING AND INDUSTRIAL RELATIONS

### ATTITUDE OF MANAGEMENT :

1.24 When a union manages to get some bargaining rights, the management's attitude to the union can be either favourable or otherwise. The attitude of the management can be broadly classified under four types :-

Militant opposition : The management may oppose the union and may indulge in subtle forms of discrimination and try to discredit the union. Militancy breeds militancy and the union will do all it can to consolidate its position including bringing political pressure. Union survival takes precedence over the interests of the organisation. Constructive labour relations are not developed by this approach.(9)

Forced Truce : Force truce is the next logical phase after complete opposition. Management attempts to preserve its traditional prerogatives in running the company while trying to allow the union to operate in a narrow field.

Working Harmony : This is the third phase. Most of the labour management relationships are covered by this. Having allowed the unions to function, management find that it is not possible to turn the clock back. The bargaining relationship becomes more mature. Working harmony can grow out security and prosperity on both sides.

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(9) Pigors/Myers : Personnel Administration, P- 223.

Union management co-operation : Instead of attempting to apply pressure on each other in collective bargaining the two parties try to apply pressure to common responsibilities. Both management and union accept a common responsibility in such matters as increasing productivity, reducing costs etc. In this stage of development the bargaining will be more objective on the basis of facts without the bulky demands, horse trading etc. The emphasis is upon joint problem-solving. Unfortunately this relationship of mutual co-operation is rarely developed until the company is in a serious danger of going out of business when the writing is on the wall which can be read both by management and union, co-operation may be forth-coming so that both may survive. It may then be too late. When business is reasonably prosperous there is a probability of less than joint co-operation. In a majority of cases working harmony is the most that can be reasonably expected from the two parties.

#### EFFECT ON INDUSTRIAL RELATIONS :

1.25 The industrial relations indicate collective relationship between the employer and the employee. As mentioned above, the stand of the management in any enterprise in regard to collective bargaining or, joint consultation establishes the type of labour management relations that will exist in that enterprise. It is said that the

management, as a system of authority passes through four stages on a continuous from authoritarian to Paternalistic to constitutional to participative management.

1.26 Industrial relations have been regarded till recently as necessarily dominated by struggle or, protest. Fortunately, this view has slowly changed and it is now accepted that unless the workers are also recognised as an equal part and bargained with, the industrial relations can not be improved. The growth rate of management's interest in the personnel function has almost paralleled the growth of unions which may also need to be mentioned; firstly development of large-scale industries and, secondly the increasing role of the government in labour relations. The latter has been accompanied by greater political action on the part of the unions but all the same collective bargaining remains a very useful instrument for the attainment of union goals.

1.27 When a union is recognised, a basic social change occurs in the structure of employer-employee relationship. The union is a new challenge for management to its unilateral decision making. How management reacts and adjusts to this new situation will help to determine the nature of the relationship and its impact on the success of the organisation. With the entry of the union the management can no longer make decision on its own about employee relationship. Policies on wages, seniority, promotion transfer, discharge etc. must now be discussed with the union representatives.

Final decision on the administration of these policies may still rest with the management, but they are frequently subject to question and criticism by union representatives. As one writer has observed "A union is an employer regulating device. It seeks to regulate the discretion of employer at every point where their action effects the welfare of the man". This has been the prerogative of the management which has been subject to much discussion and "conflict in labour management relations" but the management has slowly yielded ground to the unions.

1.28 Collective bargaining is based on the following assumptions :-

- (i) It is better to obtain a worker's co-operation than to enforce his obedience.
- (ii) A worker is entitled to as fair a deal as it is within the long term commercial capacity of the firm to provide.
- (iii) The unions are in the best position to bargain with the management on behalf of the worker.

1.29. The process of bargaining generally results in agreements without strikes or lockouts, ~~Wildcat~~ strikes resulting from disputes during terms of a collective agreement are rare, partly because the practice of voluntary arbitration of unsettled grievances is now one of the accepted principles.

1.30 As mentioned by Keith Davis, collective bargaining has an effect upon the whole system at work. It is essentially a " compromise and balancing of opposing pressures of two social groups who have enough mutual interests and goals to reach a workable agreement voluntarily". Productivity is an attitude of mind and industrial relations, attitudes, motivation and out put are all interlinked. There is considerable evidence to prove that increased motivation can improve employee performance considerably. Better Industrial relations can thus lead to better out put in the organisation as a whole.

## CHAPTER II

### PROBLEM : COLLECTIVE BARGAINING WITH PARTICULAR REFERENCE TO THE FOOD CORPORATION OF INDIA AN OPINION SURVEY

#### CONFLICT IN A MODERN ORGANISATION

2.1 Conflict in some form or, other is virtually present in every fact of human life and the industrial scene in a public sector undertaking is no exception. The complex nature of a modern organisation carries with it (inherent) sources of potential conflict between management and a group of employees or between two groups of employees. The dominant source of potential conflict arises from difference between management and employee groups in matters like wages, Working conditions and union matters etc. The cleavage between the workers and management can be very profound on certain occasions. Because of the importance of peaceful industrial relations in any organisation, efforts to minimise the conflict or, bridge the gulf are necessary not only from the point of view of the management and the employees but also the community and nation.

#### POSITIVE SIDE OF CONFLICT

2.2 By and large, people tend to view conflict as an undesirable component of human life which is not perhaps justified always. Conflict can some times lead to desirable



changes in terms of acceptable human values and progress. Conflict in industry in the past has brought about to some extent improvement in the working conditions of employees. It has been suggested that as conflicts can not altogether be eliminated the objective of modern management should be to see that ~~conflicts remain creative and useful.~~

### IMPORTANCE OF COLLECTIVE BARGAINING

2.3 Collective bargaining is one of the accepted methods by which the conflict in an organisation can be minimised if not eliminated. Collective bargaining is flexible, give and take group process. It should also be realised that collective bargaining is not an end in itself, but merely a step in the establishment of sound industrial relations in an organisation.

### IMAGE OF COLLECTIVE BARGAINING AMONG EMPLOYEES

2.4 In the long run, success or, failure of the process of collective bargaining depends upon the impact such a bargaining makes on rank and file in the organisation. In other words it depends on the question as to how the employees react to the scheme of collective bargaining, what their impressions are and whether they consider it to be useful or, not. The opinion or attitude of an employee represents his experiences, recollections and ideas. It means the total impact of the problem on the individual employee is a composite of all he has experienced, heard, seen or read.

## OBJECTIVES OF THE STUDY

2.5 Opinion is, therefore, a cumulative effect of all impressions and ideas and it is very necessary for the management to know the views of the employees in this important field. Many organisations today commission research studies to find the effectiveness of collective bargaining. Others have initiated their own programmes of research. No study has so far been made in the F.C.I. on this subject.

2.6 The scope of the present study is to find out the image of collective bargaining (joint consultation) among the employees of the corporation on the basis of replies to a questionnaire circulated to them. The process of collective bargaining covers a wide-field-wages, security, recognition of unions, seniority, rationalisation and fixation of work loads, retrenchment and lay off, incentive schemes, grievance procedure etc. It is not possible to cover all aspects of bargaining in a short study of this nature. The questionnaire, therefore, includes only important and tangible items from the point of view of the employees, viz. effect of bargaining on pay and allowances bonus, promotional avenues, working conditions etc. Part I of the questionnaire covers basic issues like usefulness of joint consultation, attitude of management

towards joint consultation. Part II includes incidental or, supplementary items like general impressions among employees, multiplicity of unions, initiative shown by the Association/Union in improving the efficiency of employees, groupism in Association/Union and workers' participation in management.

CHAPTER-III

THEORETICAL PERSPECTIVE

BACKGROUND, PHILOSOPHY AND DEVELOPMENT OF COLLECTIVE  
BARGAINING IN INDIA

3.1 "In each country, trade unionism is shaped not only by the form and stage of economic development but also by political conditions and by the general structure of the society in which it has to act".<sup>(1)</sup>

India is no exception to this generalisation. The pattern of labour management relation has increasingly been directed by the government of India. "The difficulties in developing a committed industrial labour force, the rivalries and weaknesses of the Indian trade union movement, The failure of many Indian and foreign employers to deal fairly with workers or constructively with trade unions and the resultant labour discontent and strife have encouraged government intervention in order to certain, channel and redirect incipient and actual labour protest".<sup>(2)</sup>

Planning for rapid economic development has been one of the main policies of the Government of India and the pattern of labour management relations has been expected to conform to there objectives.

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(1) An introduction to trade unionism. G.D.H.Cole P.34

(2) Industrial relations in India, C.A.Myers & S.Kannappan Chapter VIII.

3.2 In the beginning it used to be claimed that the outcome of collective bargaining was a matter of concern only to the parties directly involved. At that time the bargaining power of the union was not such as to threaten the ability of employers to conduct their business in any way they liked. Gradually, therefore, it was found necessary to bring in the power of state to supplement that of the unions. Even otherwise, when the amount of wage increase vitally affects the prices, when a strike jeopardises the effectiveness of a public utility service, when restrictive practices and protective devices seriously slow down the pace of industrial investment, then collective bargaining necessarily involves public interest. All modern states are now faced with the problem of bringing the public interest into the process of determining the terms and conditions of employment to a far greater extent than has been required in the past. In all countries collective bargaining started with only two parties viz. The unions and the employers but in due course the Government also stepped in. The employees formed their own unions and federations to strengthen their position and also that of the employers. In a modern state, therefore, there are always three parties to a contract.

3.3 The growth of collective bargaining (of trade unions for that matter) has been marked by an uneven development, differing in various industries and periods and places. There is no single uniform pattern in its history. The Indian labour movement grew slowly, and it was not until 1877 that we had the first indication of labour protest a "misunderstanding over wage rates at the Empress Mills in Nagpur".<sup>(3)</sup> Several years passed before anything like a union was started largely because of the slowness of industrial development, the backwardness of the industrial worker, and non stabilization of the unions "There was only sporadic and irregularly concerted action among Indian labourers, even on the scale of individual shop. When occasionally there was united action, it was rather that of a mill mob aroused over a particular, temporary, purely local and often personal grievance than that of a business like trade union".<sup>(4)</sup>

Before 1920, trade union activity in India was mainly in the form of sporadic strikes by ad-hoc bodies. Help came from educated and philanthropic citizens. Who felt it their duty to help the poorer sections of the society.

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(3) D.N. Buchanan, the development of capitalist Enterprise in India p.416

(4) D.N. Buchanan, the development of capitalist Enterprise in India p.417

3.4 It was the struggle for national independence which gave initial direction and character to the Indian Labour Movement which was simply a wing of the nationalist movement, to start with. The influences of Gandhi on formation and direction of the Ahmedabad Textile Labour Association was very great, and this union in turn has influenced the formation and character of the IATUC. In a way, the textile industry in Ahmedabad "has the largest history of settlement of disputes by mutual negotiation and voluntary arbitration and can claim to have prompted the way towards modern collective Bargaining.....".(5)

The acceptance of compulsory adjudication by the A.T.L.A. and IATUC Can be directly traced to the Gandhian concept that if two parties can not agree, the impartial third party should decide the issue rather than deciding the issue by trial of strength. "The philosophy happens also to fit the needs of a central Government seeking to prevent industrial disputes from unpendig economic development plans and goals".(6)

3.5 Gandhiji was suceessful in bringing the Ahmadabad Mill owner's Association sound to his

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(5) Collective Bargaining by Mary Sur.

(6) Industrial Relations in India by Charles A Myses and S.Kannaphan Chapter X.

point of view and in 1920 it was agreed that any dispute or difference of opinion which the mill owners and the workers could not settle should be referred to Gandhi and Seth Mangaldas the President of the Association, as arbitrators. Provision was also made for an umpire in case of disagreement between the arbitrators. Ahmadabad thus enjoyed a much greater degree of industrial peace than other industrial areas in the country and the Royal Commission Commented in 1931 that "in Ahmadabad there is greater understanding if not sympathy between the employers and the employees than is usual elsewhere."

3.6 Collective Bargaining developed in the Ahmadabad Textile Industry at two levels :-

- (1) between the owner's Association and worker's union for the industry as a whole and
- (2) between the management of individual mills and local unions. In 1955 a general agreement on the subject of annual bonus was reached for the years 1953-54 to 1956-57 covering all the mills. Thus a Collective Bargaining process has come into being in A/TI which has proved capable of solving the problems of the industry.

3.7 Another unique instance where the management and the union bargained was the coire industry in



Travancore State (now part of Kerala). In 1938, the workers' union organised a 26 day strike and got a special allowance from the employers. In 1943, the employers' Association and the workers Union setup a joint body known as the Industrial Relations Committee for settlement of differences by discussion and negotiation. One of the duties of this committee was to fix wages for all new types of work and also D.A. The Labour Investigation Committee reported in 1945 "ever since the inauguration of this Committee, the relations between the union and the employers have improved as there are opportunities for closer and more direct contact."

3.8 Although the Ahmadabad and Travancore examples were not followed elsewhere, the Ahmedabad experiment had considerable impact on the general thinking of influential leaders of the congress. And these leaders were responsible for shaping the Industrial Relations Policy of the Central Government to a very great extent. Gandhiji's teaching influenced those who drafted the I.D. Act. 1947 one of the earliest Acts in independent India. The statement of objects and reasons attached to the Bill contained the following.

"Industrial peace will be most enduring where it is founded on voluntary settlement and it is hoped that the works committee will render service to the

remaining machinery provided for in this Bill for the settlement of disputes infrequent."

It is, of course, a different matter that in actual practice the works committee did not develop as instrument of voluntaries settlement of disputes and the whole emphasis sung away from voluntary settlement to compulsory adjudication through the machinery setup by the Act.

3.9 In such industries like cotton textiles, and jute collective Bargaining tended to be industry-wise in a particular locality. For instance the Bombay Millowner's Association deals with the Rashtriya Mill Mazdoor Sangh, which is the INTU Union with "representative" status under the Bombay Industrial Relations Act of 1947. The parties however, did not sign any agreement till 1956; major issues were referred to the industrial tribunal for a decision. In 1956 the Mill owner's Association and the INTU signed a five year agreement for determination of bonus.

3.10 "Direct negotiations involving Comprehensive agreement of sustained collective Bargaining, Relationships between individual employers and unions are still rare, but they are found under two conditions :-  
(1) When the employer is generally interested in developing constructive relations with a union representing his employees and (2) When such a union exists

without serious threats from rival unions. These two conditions are not related for. In several cases the employer encouraged and nurtured a new union to a point where it represented the majority of the firm's employees".(7)

After conducting some enquiries Myres has summarized the general position thus. "Over summary indicates that collective Bargaining agreement in individual forms are more frequent among foreign than among Indian Companies. The Tata management and a few others, however are clear exceptions to this generalization and the same could be said of a few public enterprises, such as Sindri. There is also some collective Bargaining by central Ministries such as P & I. Defence and Railways. An agreement was signed between the Bombay State Transport Corporation and the State Transport Corporation and Workers Union, covering nearly 20,000 workers and recognising the union as the sole collective Bargaining agent. This was characterised as a landmark in collective bargaining in the public sector ..... which has hitherto been neglected."(8)

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(7) Industrial Relation in India Chapter. VII, Charles and Kannappa.

(8) Industrial relation in India by Charles A. Myres and S.Kannappan Chapter VII.

3.11 One of the very earliest instances of collective Bargaining within individual concerns was that of the joint steamer companies in Calcutta, two companies which jointly operated inland river transport on the Ganga and Brahmaputra. In 1946 itself the management and the union signed an agreement. Among manufacturing concerns the earliest of the post-war collective Bargaining was that made by the Dunlop Rubber Company, at its factor at Sahaganj in West Bengal in 1947. In 1952 further agreement were reached over standing orders for the factory and in 1961 comprehensive five years agreement was signed.

The Bata Shoe Company in West Bengal made its first agreement in 1948- valid for two years. It recognised the union as the sole bargaining agent and it incorporated the factory standing orders and introduced a grievance procedure. This was followed by a series of 3 year agreements in 1951, 1955 and 1958 on general conditions of employment and a number of special agreements covering engineering and maintenance staff. In 1951, the Indian Aluminium Company, signed the first of its five year agreement with the union of its employees. This was followed by a second-five year agreement in 1956. The Ministry of Labour and employment had published these agreements in 1958 and they have had considerable influence over

collective Bargaining in other Companies; some of the companies have borrowed the preamble and the basic phraseology for their agreement. During the years 1952-54 the Imperial Tobacco Company also negotiated with their unions a series of agreements in their various branch offices.

3.12 The years 1955-56 saw a considerable extension of the field of collective Bargaining not only some of the aforesaid companies negotiated their second long term agreements with their unions but a number of other companies started collective Bargaining. Some of the leading companies which deserve to be maintained are National Newsprint & Paper Mills, Nepanagar, Hindustan Heavy Chemicals, West Bengal.

ATTITUDE OF INDIAN TRADE UNION  
FEDERATION TO COLLECTIVE BARGAINING

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ALL INDIA TRADE UNION CONGRESS

3.13 The All India Trade Union Congress insists that there must be a fundamental right to have the union recognised by the employers and to have the right of Collective Bargaining without any body's intervention. The worker who has neither economic, political or social power should be granted the right to strike. Once that is guaranteed, the working class and its trade unions will be prepared to set down and discuss. What reasonable limitations it can voluntarily accept in the exercise of the right and power.

HIND MAZDOOR SABHA

3.14 The H.M.S. also supports the above view. They think that the system of compulsory adjudication is the very negation of genuine collective Bargaining. Where the use of sanction is prohibited the growth of genuine trade unions as collective Bargaining agencies is consciously undermined. According to them, Once the concept of the inherent right to strike and lockout is conceded, the trade union would be compelled to have a realistic appreciation of a given situation.

UNITED TRADE UNION CONGRESS

3.15 The U.T.U.C. also favours the settlement of disputes through collective Bargaining but desires the retention of adjudication till all trade unions attain sufficient strength to bargain with the employers from a position of equality. They also regard the worker's right to strike as essential. They feel that the provision in the Act regarding prohibition of strike during pendency of disputes and similar provisions be done away with.

INDIAN NATIONAL TRADE UNION CONGRESS

3.16 According to the I.N.T.U.C. the country can ill-afford the stoppage of production on any account, particularly now when it is trying to catch up with other advanced nations of the world. In their view, therefore, collective bargaining, mediation, conciliation, arbitration, and adjudication will be effective substitutes for strikes and lockouts. In fact, to the extent, these machineries are made really effective. Strikes and lockouts will become unnecessary and production will go uninterrupted. In a planned economy the relations between the labour and management can not be allowed to upset the production targets just because one of the parties would not like to settle the disputes in a fair manner.

To some extent freedom must be given to the party to settle their own affairs and that can be done only by collective bargaining. The alternative to the failure of collective bargaining should not be a strike or lockout but arbitration and adjudication. According to them, strikes should always be avoided and industrial disputes decided in accordance with the principles of Rule of law.

#### THE ROLE OF GOVERNMENT

3.17 Before independence the role of government in the field of industrial relations was very limited. The earliest legislation was meant to protect the interests of the employer rather than the employee. In this category belonged the workmen's Breach of contract Act. of 1859 and the employer's and Workmen's Dispute Act of 1860. An important factor which expediated labour legislation was Indian's membership of the International Labour Organisation. Important laws passed during the twenties were the Indian Factories Act, 1922; the Indian Mines Act, 1923; the Indian workmen's compensation Act., 1923; the Indian trade union Act., 1926 and the trade Dispute Act, 1929. The payment of Wages Act, 1936 represented the first move to protect Indian industrial labour from numerous deductions in their wages by their employers.



3.18 Governments labour policy during the major part of the period from 1919 to 1940 was that of a passive regulator of labour in industry.

"All the legislative and governmental interventions were designed essentially to achieve two ends; (1) to ensure labour the minimum of protective, legislation against the more flagrant abuses of the industrial environment; and (2) to ensure that labour management friction did not overtly disturb the peace and security of the state." (9)

3.19 With the attainment of independence and the formation of congress government the position has changed. The congress party has, through various resolutions, promised to satisfy the legitimate needs and aspirations of the working class and to remove every cause of genuine discontent of employees. The rationale behind government labour policy was explained as follows :-

"The new labour policy of the Government of India is designed to steer clear of all ideological and class conflicts and keep the two arms of production- labour and capital contended. Its main object was to foster mutual respect among employers and workers as well as the realisation that

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(9) L.R. in India, C.A. Myers & S. Kannapan Chapter VIII.

they are equal partners in a joint enterprise and that by serving the country they serve their interests best." (10)

3.20 The industrial dispute Act, 1947 was enacted over the bitter apposition of labour representatives of the central legislative Assembly. It empowered the Government to refer any "disputed" or "difference" to adjudication by industrial tribunals. Great reliance was put on conciliation. Strikes were forbidden during the pendency of conciliation or arbitration proceeding and during the period when an award was in force. The act further provided for the constitution of works committees in all industrial establishments employing one hundred workers or more.

3.21 Commenting on the industrial law obtaining in India immediately after Independence, V.D.Kennedy says; " India inherited a frame work of labour law that might be called typical of an enlightened colonial regime. It assumed that Indian trade Unionism and labour relations were undeveloped and would remain so certainly the legislation contained no provisions designed to change that condition or given any shape or direction to the growth of unionism and collective bargaining. The contracts to speak of were aimed at preventing strikes and the government was

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( 10) Government of India, Publication Division, Square Deal for labour (1951), p-7

assigned the paternalistic role of assuring minimum employment conditions to workers and deciding the merits of labour disput ."(11)

3.22 Though certain amendments were passed by legislature (giving unions basic protection against unfair employer practices, Compulsory recognition of representative unions by employers etc.) In 1947 they never came into effect. For political reasons, the trade union Amendment Act passed in 1947 was never notified by the Government.

#### 1950 BILLS

3.23 By 1950, two new bills had been drafted, the Industrial Relations Bill and the Trade Unions Bill. These are designed as Comprehensive pieces of legislation, meant to replace existing labour relations laws. Collective Bargaining was made compulsory for both employers and unions under stipulated conditions. It is clear that had the Bills been passed the "Laissez faire" labour policy inherited by the country would have been transformed to positive labour relations system based on strong unions, exclusive bargaining rights and compulsory bargaining. Though the draft bills were approved by select committees also in December 1950 They lapsed with the dissolution of the constituent Assembly in 1951.

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(11) V.L.Kennedy, Essays on Indian labour questions p,40

## COMPULSORY ADJUDICATION VERSELS

### COLLECTIVE BARGAINING

3.24 The compulsory adjudication is the corner stone of labour dispute settlement in India. The tripartite labour panel of the planning commission re-examined in 1956 possible modifications of the system in the light of criticism. The critics of compulsory adjudication argue that a system which "proscribes economic sanctions and imposes compulsory adjudication is infact the antithesis of collective bargaining" and when ever supports a scheme which is a "negation of collective bargaining and free Industrial relations are opposed to industrial democracy and are favouring an ultra authoritarian form of society." (12) According to them the system has failed to achieve industrial peace, inhibited the growth of the unions and has prevented voluntary settlement of disputes and growth of collective bargaining. They further argue that the compulsory adjudication system and the restrictive law behind it are intended to put an end to labour problems in the most authoritarian fashion. Lazki says, "A free society cannot use proscription as a normal method without ceasing to be a free society" (13) and the critics consider

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(12) Industrial relation and personal problems H.A. Zachariah P-173

(13) Trade union in the free society, Harold T. Daski  
P - 168

The only way, it is argued, is a whole sale rejection of reliance on a third party for settlement of disputes and acceptance of collective bargaining with all its implications including the right of strike/lockout.

3.25 The reasons for opposition to the above approach and support of the compulsory Adjudication system can be summed up as under :-

1. India faces a stupendous task in improving the lot of her people which can be done under a rapid industrialisation programme and she can ill afford work stoppages, strikes or lockouts.
2. If strike were permitted to occur in important sectors like steel, heavy engineering, essential supplies etc., the political parties would manipulate the grievances of workers and capitalise on their dis content;
3. Trade unions are too weak and are incapable of shouldering heavy responsibilities, workers lack sufficient resources to survive long strikes. So if compulsory adjudication were not available workers and their unions would be at the mercy of employers, most of whom would refuse to deal with unions or make any concession voluntarily.

4. The appropriate government can now keep a firm hand on the labour situation and avoid, trouble. Their power to refer disputes to adjudication gives them a substantial measure of control which they would lose under a system which permitted work-stoppages on a large scale;

5. The Government has an obligation to the community also and if the parties cannot reach an agreement voluntarily, it is better to let an impartial third party decide what is right, then to permit management and labour to decide the issue by a test of strength. It is incorrect, if not immoral, to impose a decision by one party on another through brute strength.

3.26 The point of view of the Government has been succinctly put by sari Shantilal Shah, Labour Minister of Bombay in the following words :- (June 1955 conference of the I.L.C)

"In an economy where development is planned to achieve a definite target under regulation of the state, it would obviously be impracticable to leave the vital field of labour management relations entirely to chance. Labour management relations has been a subject of debate in India. For the last few

3.27 The moot point is whether adjudication inhibits collective bargaining and is antithetical to it. It certainly represents the availability of a third party to settle disputes. But at the same time, the system as developed in India did not altogether exclude bipartite agreements. As mentioned by the National Commission on labour the "place of collective bargaining, as a method of settle-ment of industrial disputes, has been debated since long; almost since the days of the whitley commission the best justification for collective bargaining is that it is a system based on bipartite agreements and as such superior to any agreement involving third party intervention.....(16)

RECOMMENDATIONS OF THE NATIONAL COMMISSION ON LABOUR ON COLLECTIVE BARGAINING

3.28 The commission observed that not with standing the criticism, the adjudication machinery has exercised considerable influence on several aspects of conditions of work and labour- management relations. Adjudication has been one of the instruments for improvement of wages, working conditions bonus and introducing uniformity as benefit and amenities. It has also helped to avert many work stoppages by

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(16) Report of the National Commission on Labour, Chapter, 23

that the provisions of section 23 of the industrial dispute Act are nothing but proscription of economic sanctions. The opposition to compulsory adjudication came from no less a person than Shri V.V.Giri, the then Labour Minister in Union Cabinet. In his opening speech at the twelfth session of Indian labour conference held in October 1952 he said :-

"Compulsory adjudication has to be ousted from the very root of trade union organisation..... If workers find that their interests are best promoted only by combining, no greater urge is needed to forge a bond of strength and unity among them. But compulsory arbitration sees to it that such a bond is not forged Let the trade unions become strong and self-reliant and learn to get on without the assistance of the police-man. They will then know how to organize themselves and get what they want through their own strength and resources. That will also be the means of their achieving respect. It may be that untill the parties have learnt the technique of collective bargaining, there are some unnecessary trials of strength, but whoever has heard of a man learning to swim without having to drink some gulps of water." (14)

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(14) Proceedings of the Indian labour conference (12th session held in Banital on 8th to 11th October 1952 P -6-7)



years we have come to the conclusion that, though every encouragement should be given to collective bargaining and voluntary settlement of disputes, the state should be prepared to intervene whenever the voluntary machinery fails to work. We believe that the best way of resolving labour management differences which are not solved by mutual negotiations is not a trail of strength by strikes and lockouts but an award by an impartial body..... The success of voluntary negotiation and collective bargaining presupposes the existence of a united trade-union movement and an enlightened outlook on the part of the employer elements which it has taken the advanced countries of the west long years to develop. An under developed economy moving forward to achieve a planned target cannot afford the hazards involved in leaving labour management relations beyond the pale of state actions. We propose to profit by the experience of the western world in the earlier stages of industrialisation and avoid as far as possible the malice that it created." (15)

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(15) International labour conference, provisional record No. 11

providing an acceptable alternative to direct action and to protect and promote the interests of the weaker sections of the working class, who were not well organised or were unable to bargain on an equal footing with the employer. It is true that procedureally adjudication may be dilatory, expensive and sometimes even discriminatory as the power of reference vests with the Government. The National Commission on Labour Commented thus :-

"We are of the view that while there are certain procedural deficiencies in the present system which needs to be remedied, there is some substance in each of the fundamental objections mentioned against the system. At the same time, we cannot help feeling that the disadvantages are overstated. Adjudication was not conceived to prevent all work stoppages; the fact that the Government may not refer a dispute to adjudication means that it should be settled, if need be, by direct action. Trade unions have been growing during the period the adjudication system has been in vogue, and where conditions were favourable voluntary settlement of disputes and collective agreements having been adopted in the last twenty years." (17)

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(17) Report of the National Commission on Labour  
Chapter, 23

3.29 Agreements for or against collective Bargaining and adjudication can be continued indefinitely. A definite conclusion cannot also be reached either in a theoretical plane or on the basis of foreign experience. India cannot derive any benefit out of foreign experience because the system adopted in any country will depend on a complex of circumstances which cannot be easily classified. Based on following figures, the national commission on labour came to the same conclusion :-

"Many lost due to work-stoppages per 1000 persons employed in mining manufacturing, construction industries.

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Country	1955-59	1960-64
Sweden	21	6
U.k.	346	242
U.S.A.	1366	722

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The variations are indeed striking. For Australia Comparably figures for the two periods are 406 and 350 respectively. One cannot on this basis accept collective bargaining because the swedish data are more favourable than the Austratian; nor can one accept adjudication, because Australia makes a better showing than the U.S.A." (18)

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(18) Report of the National Commission on Labour P,326

3.30 It is no doubt true that adjudication has tended to prolong disputes. But all the same it has served some useful purpose. Besides collective bargaining as it has developed in the west may not be quite suitable for India; in the western sense, it cannot exist with the concept of a planned economy where cert. in production targets have to be full filled. "If in the national interest the state must evolve machinery for development of initiatives and self reliance along all constituents of society"(19) The question arises whether such a machinery should suppliment or supplant the system of collective bargaining. The recommendation of the National Commission on Labour are most appropriate in this regard:-

The requirements of national policy make it imperative that state regulations will have to coexist with collective bargaining. At the same time there are dangers in maintaining status quo. There is a case for shift in emphasis and this shift will have to be in the direction of an increasingly greater scope for, a reliance on collective bargaining. But any sudden change replacing adjudication by a system of collective bargaining

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(19) Prof. P.Gosh, Industrial Relations in Perspective  
journal of management education- July- December  
1971, p-21

would neither be called for nor will it be practicable. The process has to be radical. A beginning has to be made in the move towards collective bargaining by declaring that it will acquire Primacy in the procedure for settling industrial disputes. It follows that conditions have to be created for the success of this proposed changeover. An important prerequisite is the grant of union recognition. We have to evolve satisfactory arrangements for union recognition by statute as also to create conditions in which such arrangements have a chance to succeed." (20)

- 3.31 In a meeting convened at Delhi during February 1972 three central Trade unions AITUE, AITUC & AITS have reached an accord on the controversial system of union recognition. They have agreed that barring the areas where unions had already been recognised either under law or under the code of discipline or collective agreements, the majority union should be given recognition after the strength of all the rivals had been ascertained through verification of membership. Where claimants after verification of membership, the difference in strength between the

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(20) Report of A.C.L. Chapter, 23

two rival claimants for recognition is found not to be significant, resort should be had to secret ballot of all workers in the plant or industry for determining the collective bargaining agent. The Federations have also agreed that all industrial disputes should be settled by direct negotiations with the recognised union alone and where such direct negotiations fail and where there is agreement providing for voluntary arbitration, the choice between strike and arbitration should be given to the workers. It is expected that with the above agreement on one of the most thorny problems, viz union recognition would be established.

For after all, "the major issue under policy consideration relates to the assessment of the role of unions in the field of industrial relations".<sup>(21)</sup>

3.32 One of the important recommendations made by the M.C.L. is the setting up of an Industrial Relation Commission. The national commission found certain weaknesses in the working of the existing industrial relations machinery- the delays involved, the expenditure, the largely ad-hoc nature of the machinery and the discretion vested in the Government in the

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(21) Prof. P.Gosh, Industrial relations in Perspective Journal of management education, July-December, 1971, p-22

matter of reference of disputes. The commission, therefore, thought it necessary to recommend certain fundamental changes in the machinery. The commission says:-

"We consider that it would not be enough to secure some of these improvements through suitable modification in the existing machinery. A more basic change is called for and this can be ensured only through the replacement of the present ad-hoc machinery by a permanent machinery which will be entirely independent of the administration." (22)

The commission, therefore, recommended the setting up of an Industrial Relations Commission (I.R.C.) at the national and state levels for settling disputes broadly covering matters listed in the Third Schedule to the Industrial Dispute Act 1947. The commission recommended that the I.R.C. should be entrusted with three main functions; (a) adjudication in industrial disputes (b) conciliation and (c) certification of unions as representative unions. In addition to the I.R.C., the commission also suggested the setting up of labour courts to be entrusted with the judicial functions of interpretation and enforcement of all labour laws, awards and agreements.

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(22) Report of the N.C.L., p.332

3.33 The commission has recommended that the conciliation wing of the L.N.C. should consist of conciliation officers with the prescribed qualification and status and that the L.N.C. may provide arbitrators from amongst its members/officers in case parties agree to avail themselves of such services. The commission has further recommended that the functions relating to certification of unions as representatives unions should rest in a separate wing of the National/ State L.N.C. In essential service/ industries the L.N.C. is expected to compulsorily adjudicate ( and its award shall be final and binding upon both the parties). While in others, it will step in only if direct action (strike) continues for 30 days. When a strike or lockout commences, the appropriate Government may move the L.N.C. to call for the termination of the strike/ lockout on the ground that its continuance may affect that security of the state, national economy or public order, and if the L.N.C. is satisfied, it may call on the parties to terminate the strike/lockout and file their statements before it, thereafter the L.N.C. should adjudicate on the dispute. The commission also suggested that all collective agreements should be registered with the L.N.C.



3.34 The commission concluded its recommendation thus :-

"having made these recommendations, we think it is necessary to emphasize the fact that the main consideration which has influenced our decision in making these recommendations is that the settling up of the L.N.C. with two wings will, in the long-run, make negotiations between the parties more earnest and serious and thus introduces a new era of successful collective bargaining. We recognise that in the initial stages of the working of this scheme, mutual negotiations may not always succeed but we hope that where this happens, sustained effort by the L.N.C.'s conciliation wing will materially assist the parties in reaching satisfactory solutions to their problems amicably. If this process continues for some time, the number of industrial disputes which will go before the L.N.C. for its adjudication will gradually decrease and that is the end which we have in mind."(23)

3.35 UNITED KINGDOM--BACKGROUND, PHILOSOPHY AND DEVELOPMENT

As in other industrial countries trade unions in U.K. came into being, established themselves firmly

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(23) Report of the N.C.L., p-336

and extended their power and social influence mainly on account of their achievements in collective bargaining. Before employers were willing to negotiate agreements with them, the early unions were able to enforce their own working rules with the help of method of mutual insurgence. But such unilateral union regulation was largely not entirely replaced by collective bargaining which has since become the foremost concern of British Trade Unions. (24)

Trade unionism developed in Britain only after the repeal of the combinations Acts in 1824-25, secured general acceptance and recognition from the employers much later, 'Upto 1971 though it was legal to combine to raise wages to coerce the employer by threatening to strike still amounted to criminal conspiracy'. (25)

The employer's acceptance of the limits to their freedom of action was not gained merely by the use of persuasion on the part of the trade unions. Many did not take kindly to collective bargaining as a method of settling the wages and working conditions of their employees. These followed a long, bitter and at times violent struggle.

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(24) Trade Unions by Allen Sanders, p-75

(25) Collective bargaining by Mary Sur.

Their position had to be broken down by strikes and later on by Government intervention more especially during the two world wars.

3.36 The struggle between employers and work people eventually evoked a response on the part of the general public. In 1867, public opinion precipitated the setting up of a Royal Commission to enquire and report on the organisations and rules of trade unions. Contrary to expectations, the majority of the Royal Commission recommended among other things that henceforth trade unions should not be regarded as illegal provided they were not found to do "acts which involved breach of contract", "Following the report of the Royal Commission, a number of enactments (Trade unions Act 1871, the Employers and Workmen Act 1975; and the Conspiracy and Protection of Property Act 1875 etc.) established beyond doubt the legality of trade unions and recognised their right to participate in Collective bargaining." (26)

3.37 The second half of the 19th century saw the beginning of the establishment of agreed relationships between trade unions and employer. Mr Hugh Clegg points out that " formal organisation amongst employers was not a spontaneous growth. Its main emphasis

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(26) B.C. Roberts : Ind. Relations : Contemporary Problems and perspectives, p-100

have been trade union pressure, and in more recent years, Government intervention in industrial matters. (27) By the beginning of the present century the principle of voluntary collective bargaining was "fairly well established and its practice had been adopted in many staple industries.

3.38 There were two distinct lines on which collective bargaining developed in Great Britain : One was concerned with joint machinery for the settlement of disputes and the other with mutual settlement of wages and conditions of employment. Sir Godfrey Ince writes : this two fold development - was of great importance and a special feature of this country. Together they have played a large part in insuring that industrial relations in this country were established on a sound basis. (28)

3.39 In the initial stages, the movement developed on a voluntary basis. The Conciliation Act of 1896 gave the first sign of Government approval of the negotiations of term of employment. The trade disputes Acts of 1906 have further impetus to collective bargaining.

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(27) Flanders and Clegg, the system of industrial relation in great Britain, p-216

(28) Ministry of Labour and National service by Godfrey Ince : Allen & Unwin.

3.40 Some of the agreements provided for arbitrations as last resort, but few disputes were in fact settled in this way. The preference by both parties was for a mutually agreed settlement. Even though a standing Industrial court was established as a national body under the Industrial court Act of 1919 the majority of its awards dealt with the less organised industries.

3.41 Compulsory arbitration was reintroduced as temporary measure during the world wars. The conditions of Employment and National Arbitration order, 1940 continued for some years after the end of the war with approval of the trade unions, for post-war reconstruction called for an unusual degree of public control in Britain. It helped to enlarge the application of existing agreements and led to an increasing acceptance of arbitration as a last resort, but compulsion was not in keeping with the British tradition and the war time order was eventually rescinded in 1950. Even so voluntary arbitration as a method to end a deadlock is common even now.

3.42 Another example of state intervention was the wage Boards Act which gave Government power to set up wage Boards in industries where the workers were not well organised and they were unable to conduct wage negotiations on their own. By 1946 some 15 million workers out of about 17 million workers

were covered either by joint voluntary negotiations machinery or by statutory machinery.

3.43 The contracts do not generally run for any stipulated period in Britain. They are called 'open end' agreements and remain in force until one of the parties gives notice to the other to terminate the contract or revise it partially.

3.44 For the civil services the machinery of whitely councils has been in operation. The staff side of the whitely council consists of persons appointed by the trade unions and professional association of civil service employees. "These representations not necessarily civil servants themselves negotiate on behalf of groups of staff associations. An important adjunct of the system is the Civil Service Arbitration Tribunal which settles the questions not settled by the National Whitely Council Departmental Councils." (29)

3.45 To sum up, the accent is on voluntary settlement but the state has encouraged the collective bargaining in industries where workers organisations are weak, through statutory bodies. It provides a conciliative service and industrial court for arbitration without compelling the use of either. Significantly the awards of the Industrial court have not legal

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(29) Collective bargaining verses Government Regulations - A.V. Raman Rao.

standing but depend upon the force of public opinion for their implimentations.

3.46 UNITED STATES OF AMERICA

Before 1820, strikes and lockouts were the only method of setting disputes between employers and those who worked for them. By the middle of 1820's there were few trade unions which were organised by trade. Within a decade many large employers had dealings with these unions. Employers agreed to pay certain wages in return for which the unions agreed not to strike and this was the beginning of collective bargaining in U.S.A.

3.47 As expected employers resisted the growth of unions. The period between 1880 and 1910 was one of prolonged strikes in major industries. Even the "Law Courts were frequently hostile to the trade union movement and employers were able to obtain from them injunctions to restrain the activities of independent unions".(30)

The 20th century ushered in a new phase of the industrial age mass productions, automation and division of labour with separate simplified tasks. World war 1 marked a turning point in collective bargaining. In order to ensure uninterrupted production, the federal Government established a War labour

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(30) Collective bargaining by Mary Sur, Chapter, 3

Board to intervene in disputes which might lead to strikes and other work stoppages, to ease the strain upon its mediation machinery the Board laid down a labour policy which "recognised an affirmed trade unions and collective bargaining." (31)

Although this was not law in the ordinary sense but a set of principles it constituted the first Governmental blanket endorsement of collective bargaining.

3.48 In 1932 came the Norris-La-Guardia Anti-Injunction Act which retained some of the even handedness of world war policy by upholding the right to organise and bargain collectively. Then came the National Industrial Recovery Act in 1933 section 7 (a) of the Act granted the right to organise unions for collective bargaining. Two years later the supreme court pronounced N.I.R.A. unconstitutional. This was immediately followed by the Wagner National Labour Relations Act of 1935. The Wagner Act had a three fold purpose:- (i) to protect the workers right to join a union of his own choice and to organise without interference from his employer, (ii) to provide for election machinery to determine the most representative union

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(31) Trends in collective bargaining by Willeamson and Harris.



in a unit; (iii) to compel the employer to recognise and bargain with most representative union. Collective bargaining now became compulsory when requested by labour organisations. Enforcement of the Act was vested in a National Labour Relations Board with powers to hold plant elections for determination of employees choice of a labour organisation, to compel employers to meet the collective bargaining and to protect employees against victimisation for union activities. In 1937, a Supreme Court up held the basic features of the National Labour Relations Act.

3.49 Although employers had eventually accepted the changed situation after the Wagner Act there was a noticeable hardening in their attitude after the second world war. The employers had all along resented the one sidedness of the Wagner Act which defined unfair labour practices on the part of the employers only. While the union's position was somewhat weaker after the war, the employers pressed home their case and in 1947 persuaded the congress to pass an amendment known as the Taft Hartley Act. This Act defined unfair labour practices by unions also; it also empowered the Government to issue an injunction to ban for 80 days a strike or lock out

when it was considered necessary in the national interest.

3.50 One of the difficulties originally facing the National Labour Relations Board was " the split in the American labour movement between craft and general workers which had produced two mJOR national bodies- the American Federation of Labour (A.F.L.) and the congress of Industrial organisations (C.I.O.)"-  
(1) The existance of these two rival federations led to frequent rival claims for certification as the representative union. The two were however merged in 1955 thus removing a major cause of conflict.

3.51 One segnificant feature of American trade unions is that they lay emphasis on community service Perhaps the public influence the unions in this regard. James. P.Mitahell, the then American Secretary of labour remarked in 1958 that "The strongest influence on collective bargaining in the immediate future will be increasing public insistance that labour and management conduct their affairs always with the general public good in mind." Another noticeable feature of American trade union is the development of research departments to advise bargaining agents on economic analysis, labour legislation and other economic subjects.

3.52 The president constituted an advisory committe on labour management in 1962. The Committee considered

collective bargaining to be "an essential element of economic democracy and added that preserving the free and voluntary nature of decision making which collective bargaining represents requires a full realisation by representatives of labour and management that the privileges they enjoy to agree or disagree on terms and condition of the parties."and rejected the principle of compulsory arbitration. It however recommended wider use of Government mediation service in removing suspicious and clearing way for bilateral agreements. Commenting on the growing complexity of industrial society the committee stressed the joint responsibility of labour and management to society and said that they should be better informed on the status of the economy.

#### COLLECTIVE BARGAINING AND I.L.O

3.53 The process of collective bargaining has received the stamp of international approval through the recommendations and conventions of the Industrial Labour Organisation Convention 84 of 1947 on the Right of Association and settlement of Labour Disputes in Non-metropolitan Territories declared that "all practicable measures shall be taken to ensure to trade unions which are representatives of the workers concerned the right to conclude collective

agreements with employers or employer's organisation." Article 4 of the convention 98 agreed to in 1949 is also relevant. It reads as follows :-

"Measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development of utilisation of machinery for voluntary negotiation between employers or employer's organisation and worker's organisation with a view to the regulating the terms and conditions of employment by means of collective agreements".

3.54 Recommendation No. 91 of 1951 made by the I.L.O. proposed that :-

"Machinery appropriate to the condition existing in each country should be established by means of agreement or laws or regulations as may be appropriate under national conditions, to negotiate, conclude, revise and renew collective agreements or to be available to assist the parties in the negotiation, conclusion, revisions and renewal of collective bargaining."

3.55 A meeting of experts on industrial and human relations convened by the I.L.O. in 1956 concluded

that, while the right to declare a strike, or  
lockout was a necessary factor in arriving at a  
settlement in certain circumstances, the tendency  
of management and labour in collective bargaining  
to place greater reliance on economic facts and  
the art of persuasion and resounding should be  
encouraged.

3.56 The Asian Regional Conference of the I.L.O.  
held in 1953 agreed that "Collective agreements are  
normally the best means for the determination and  
adjustment of wages." and that the development as  
soon as possible of systems of collective negotia-  
tion based on free association of employers and  
workers should be actively promoted and encouraged  
by all concerned. In the African Regional Conference  
held at Lagos in 1960 also the importance of collec-  
tive bargaining was stressed. It was mentioned that  
"Collective bargaining constitutes the method of  
determining wages and conditions of employment which  
is in the best interest of parties and is the most  
conductive to equitable and harmonious relations  
between employer and workers."

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CHAPTER-IV

THE FOOD CORPORATION AND ITS PERSONNEL

4.1 THE BACKGROUND AND DEVELOPMENT

By the end of 1942, the food situation in India had deteriorated considerably and in order to tackle the food problem on an all India basis efficiently and scientifically, a separate Food Department was created in December 1942, the main-functions of the department were :-

- (a) The administration of all measures of control over prices, supply and distribution of food grains, and
- (b) Procurement and purchase for internal requirements including the army demands.

Way back in 1946 itself it was felt that the working of a Government Department involved a lot of procedural delays and that decisions could not be taken with the speed essential for day-to-day operations in the field. The policy committee on agriculture, Forestry, and Fisheries headed by the late Shri V.T. Krishnamachar came to the conclusion that the enforcement programme cannot be carried out with sufficient efficiency and despatch through the normal machinery of a Government Department, it

therefore, suggested the setting up of a corporation. The Ashok Mehta Enquiry Committee also recommended in 1957 that a separate organisation should be set up for the specific functions of open market purchases and sales, Procurement of food grains and maintenance of stock."

#### 4.2 FUNCTIONS

The recommendations of these bodies were accepted by the Government in 1964 when the food Corporation Bill was passed. The Bill inter-alia mentions the following objectives :-

"It is considered desirable, in the interest of increased agricultural production as well as in the interest of the common consumer to set up a state Agency for the purpose of undertaking trading in food grains in a commercial manner but within the frame work of an over all government policy. The setting up of the Food Corporation of India as provided for in this Bill, will therefore, be one of the essential and important steps in the implementation of Governments food Policy. The Corporation will be the first organised attempt to take up state trading in food grains and other food stuff on an

appreciable scale. The agency will also be used to build up gradually buffer stocks."

4.3 The primary duty of the Corporation is to undertake the purchase, storage, movement, transport, distribution, and sale of food grains and other food stuffs. The corporation may also, with the previous approval of the central Government.:-

- (a) Promote by such means, as it thinks fit, the production of food grains and other food stuffs;
- (b) Set up or assist in the setting up of rice mills flourmills and other cender takings for the processing of food, grains and other food stuffs; and
- (c) discharge such other functions as may be prescribed or as are supplemental, incidental or consequential to any of the functions conferred on it under the Act.

#### 4.4 SET UP OF THE ORGANISATION

The food corporation of India was set up on the 1st of January 1965. The general superintendence, direction and management of the affairs and business of the Corporation vest in a board of directors appointed by the Central Government. The Organisation is divided into four zones each headed by Zonal Manager viz North, South, East and West. Below the Zonal level, there are



regional offices, normally located in state capitals. District offices which are the lowest operation unit are headed by a District Manager. The storage depots functions under district managers. The following table depicts the various units of the Corporation.

TABLE

HEAD OFFICE (CHAIRMAN)

ZONAL OFFICE ( ZONAL MANAGER )

(FOUR)

---

Regional Office  
(Regional Manager)

Part Office  
(Joint Manager)

Distt. Office  
(Distt. Manager)

Depot  
(Assistant Manager)

Depot  
(Assistant Manager)

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#### 4.5 OPERATIONS OF THE CORPORATION

It was stipulated that the Corporation should assume a commanding role in the food grain's trade all over the country and should be the sole public sector purchasing agency to bring in the much needed discipline in the food grains trade. Since its inception, work relation to imports, internal purchase, sales, storage, movement and distribution has been gradually handed over by the Food department to the Corporation.

The process of transfer of work was completed with the handing over of the parts in the western Region on 1st March 1969, the F.C.I. has become the sole agent of the central Government for imports, purchase, movement storage and distribution of food grains.

4.6 The Corporation has among, its other objectives, the primary objective of ensuring reasonable prices to the producers, protecting the interests of Consumers and attaining a Commanding Position in the food grain trade. The 20- point economic programme announced by the Prime Minister on July 1, 1975 laid down the blue print for rapid and effective socio-economic changes of a radical character. The programme gave special emphasis on wide ranging changes in the socio-economic land-scape of the

rural sector. The specific tasks laid down in the programme and the general sweep and depth of the Socio-economic transformation initiated under the programme and the measures taken by the Government placed a special responsibility on the food corporation of India to rise to the occasion and play its role in the fulfilment of the programme and the building up of the nation.

4.7 On account the bumper crop during the last two season, the procurement of food grains by the food corporation of India for the central pool, had surpassed all expectations, coupled with substantial imports, the stock of food grains began to rise rapidly and reached levels which could not have been visualised a year back. The total stocks of food grains with the food corporation of India which were just about 14.69 million tonnes at the beginning of November 1976 were at the level of 45.39 million tonnes by 31st October, 1980. The food Corporation of India was thus able to build a national buffer within a short period. The large food grain stocks held by the corporation have acted as a major anti inflationary force in the economy of the country.

4.8 The net work of public distribution of food grains have been expanding fast in the recent years. The number of fair price shops in the country rose

to 2.81 lakhs at the close of 1979-80 from 2.4 lakhs in the previous year and serve population of 601 millions.

The off-take however has been registering a decline from the Later part of 1975-76 due to bumper crop. Condition. The monthly off-take from the central pool had come down to 5.46 lakh tonnes in April, September 1976 as compared to about 7.6 lakhs tonnes in 1974-75. Ultimately, the government took it seriously for increasing the off-take. And from August 1979 the off-take of food grains from public distribution system started picking up progressively during each subsequent month 19.92 lakhs tonnes of food grains was distributed from the Central Pool under food for work Programme, as compared to 14.44 lakhs tonnes during corresponding period last year.

4.9 The storage and maintenance of the huge buffer stocks have passed a tremendous strain on the corporation. The corporation has had to adopt all types of unconventional methods of storage. These ranged from utilizing to the maximum extent the space in the existing godowns, construction of more godowns under crash programmes hiring of godowns space wherever available the storage of grains in the open within the existing godowns complexes and also all other available places by covering them with polythene

covers, obtaining unused and abandoned airstrips for open storage under Polythene covers to the launching a crash Programme for the constructions of godowns by the private parties on guarantee of occupation for a period of three to five years and a number of other steps.

4.10 The food corporation of India since its establishment, has been taking a series of measures, to speed up procurement and streamline the distribution of food grains and essential commodities. In line with the general atmosphere of disciplined growth, the corporation has been playing a significant role in maintaining the price line, providing food to the masses at reasonable prices, improving productivity and providing more employment in rural areas.

#### 4.11 THE PERSONNEL OF THE CORPORATION.

As indicated above, prior to the setting up of the corporation, the central Food Department was looking after the work of purchase, storage and movement of food grains through its subordinate office, i.e., Regional Directorates of Food. As the food corporation Act, 1964 provides for the transfer of work of the food department to the Corporation a provision has been made for the transfer of staff also in the Act, i.e. in section 12-A of the Act These employees (Popularly called transferees) constitute the bulk of the staff in the corporation. They have not yet been finally absorbed in the Corporation as certain formalities connected with their transfer have not yet been finalised.

4.12 In addition to the work handled by central Food department the food corporation has also taken over work of the civil supplies department of certain state Governments like west Bengal etc. Along with the work, the staff of the state Government have also been taken and they are treated as on deputation. A few employees have also been taken on deputation from the Central State Government offices. To keep pace with the increasing tempo of its operations and in Cadres where enough number of transferees employees were not available, the Corporation has

also been making direct reesuitment from the open market.

4.13 Broadly, the employees of corporation thus fell into three distinct groups :-

- (1) Transferees :- employees of the central Food department transferred under section 12-A of the food Corporation Act, 1964.
- (2) Direct recruits; and
- (3) Deputationists from the central and state governments.

4.14 The staff strength of the corporation as on 31.12.1980 was as under :-

<u>CATEGORIES</u>	<u>SANCTIONED</u>	<u>ACTUAL POSITION</u>
I	1,210	976
II	3,508	3,009
III	48,028	40,929
IV	41,927	32,076
	<u>94,673</u>	<u>76,990</u>

During the past ten years, the corporation has made phenomenal progress in its operations. The turnover of the corporation has increased from Rs. 2,009 crores in 1970-71 to Rs. 4,000 crores in 1979-80 commensurate with the growth the manpower of the

Corporation also increased from 62,800 in 1970-71 to about 75,000 as on 31st March, 1980. The details are given above.

4.15 Heterogeneous composition of the staff of the corporation result often in conflicting demands. Unlike most of the other corporations the management of the Food Corporation has had the Unenviable task of satisfying simultaneously three distinct and diverse groups of employees. The synthesis of this diverse body of employees drawn from different sources has proved to be really a complex problem.

#### 4.16 THE PERSONNEL FUNCTION IN THE CORPORATION

The personnel manager is the Chief Adviser to the Managing Director/ Chairman in all personnel matters. He is assisted by one Jr. Personnel Manager, one Jr. Manager two deputy Managers and twelve senior Assistant Managers/ Assistant manager and other supporting staff in the discharge of his responsibilities. A detailed organisation chart of the Personnel Division is given in Appendix.1.

4.17 The personnel function has evolved from a narrow concern with employment interviewing, testing and postings in 1965 to a general management awareness of the importance of a human factor in effective organisational performance. How can managers at all



levels get help instead of hindrance from the personnel manager and his officers? This is not a new question. It has been raised in all the organisations. Personnel Administration meets all types of functional management such as Commercial management, Financial management, Planning and research etc. In short, every member of the management group from the top down, must be an effective personnel administrator because he depends up on the good-will and productive effort of his team. The personnel manager is often called upon to decide, issues at short notice and the issues involved tend normally to be very complex. The personnel manager must recognise these elements, weigh them correctly, formulate alternative and often solve them on an urgent basis. Because on the answers given by him may hang profit or loss, an industrial strike or peace, the career of a subordinate, a bold or a timed response to a challenge. Correct choices are of crucial importance to the Corporation and possibly to its very existence. In discharging his responsibilities the personnel manager (assisted, no doubt by his deputies) faces an unenviable task.

4.18 Even though the personnel division of the corporation specialised in personnel matters, human relations cannot be centralised. The personnel function or that of one department. As observed by Glenn

Gardiner the production and the personnel problems are one and the same and one can not solve the former without the latter or vice-versa. For example, the question of payment of overtime allowance to quality control staff engaged in the field is equally important to the Personnel Manager and the Chief Commercial Manager as a division will have a direct bearing on the procurement of foodgrains by the corporation.

#### 4.19 THE STAFF ASSOCIATION AND THE EMPLOYEES UNION

The staff association : As mentioned above, the staff of the central food department have not yet been absorbed and they still retain their status as central Government employees. They continue to be members of the same service association (excluding category I employees) as in the food department. The all India body of this association known as the "All India Central Government Food Employees Association." It has four units in the four zones with sub-units at Regional level. The central Food Department recognised the Eastern and Southern units before the Corporation was setup.

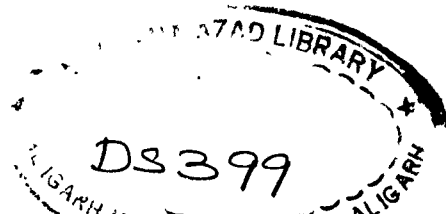
#### 4.20 THE DIRECT RECRUITS UNION

The apprehension on the part of the directly recruited category III & IV employees in the Corporation that their interests would not be safe guarded

by the staff Association of the Food department resulted in their setting up their own union. It is known as the "Food Corporation of India Employees Union". and has been registered under the trade union Act, 1926. It has also units at Zonal and Regional levels :-

4.21 DE FACTO RECOGNITION TO THE ASSOCIATION/ UNION.

The staff association and the union have been representing for recognition by the management. As a matter of Policy they have not been given de jure recognition so far though they have been accorded de facto recognition. The bulk of the employees (transferees) continue to be technically on deputation and the management feels that recognition to either body at this stage is likely to lead to administrative complications, such a step will give rise to multiplicity of unions. If recognition is given now, it is likely to perpetuate groupism amongst the employees and they would always matter themselves on separate platform, to support their respective interests, As a long-term measure, the management, therefore considers that only one representative body should be recognised after the food department employees are finally transferred to the corporation. And in furtherance of the general principle- one union in one industry.



4.22 COLLECTING BARGAINING (JOINT CONSULTATION)  
IN THE CORPORATION.

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Although formal recognition has not been extended to the staff association and the employees union the management has been discussing with both the bodies the issues concerning their members. Biannual meetings are being held with them and constant efforts are being made to attend to the problems posed by them in a positive way. This approach has been, on the whole working well and non-recognition of the association/ union has not been a material handicap in ensuring orderly discussions with the representatives of employees. The meetings are held on an ad-hoc or informal basis. Eventually, however, instructions were issued in November 1968 laying down a detailed procedure in this behalf (a copy of the circular issued by the H.C. of the Corporation No. 1-1/68-IR dated the 28th November, 1968 is set out in appendix 2). These instructions provide for meetings once in two months at Regional level, quarterly meetings at the top management level.

4.23 Ever since the above instructions were issued regular meetings were being held with the representatives of the association and the union. However, the meetings have been suspended on proclamation of emergency.

4.24 ITEMS COVERED BY JOINT CONSULTATION

The issues discussed at these meetings cover a wide spectrum ranging from policy issues like the operations of the corporation in certain states to minor cases of transfer. However certain items predominate. A scrutiny of the minute of the meetings with the Association/ Union high lights certain items. Out of thirty four items discussed in the meeting held with the association in 1976 twelve pertained to allowances, and advances, nine to certain of posts/appointments, five to pay scales and the rest were regarding bonus, seniority, repatriation of deputationists and miscellaneous. Similarly, the discussion, with the union gave the following tally, out of thirty items, ten pertained to certain posts/appointments, eight to seniority/confirmation and six to allowances and advances and the remaining to pay scales, bonus and miscellaneous.

4.25 Though management has been implementing the decisions taken in the bi-annual meetings with the Association/ Union, no formal contract as such has so far been signed. After the final absorption of the Food department employees to the Corporation. It is likely that the union-management relations would take a more formal shape resulting in the signing of an agreement. The reference is given in the Appendix- II.

which gives an insight into the discussion on women's Participation in Management. And the Head Office has taken steps seriously in its implementation at the various Zonal and Regional offices.

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## CHAPTER V

### M E T H O D O L O G Y

#### PRE-TESTING OF THE QUESTIONNAIRE

5.1 To find the response of employees, Association/ Union leaders and management on selected aspects of collective bargaining (joint consultation) in the Food Corporation, an opinion survey was conducted by eliciting information through a questionnaire. Before distributing the questionnaire to the total sample, a pre-testing of the draft questionnaire was done on ten employees belonging to category I, II and III of different cadres. On the basis of response and difficulties encountered during the interview of these employees, some of the questions have been modified to make their intention clear. A copy of the final questionnaire is given in Appendix.

5.2 As mentioned in chapter II, collective bargaining could embrace a wide area including incentives, motivation etc. For practical reasons and to make the questionnaire intelligible to all employees covered by the survey, questions on important items like pay scales, allowances, bonus etc. only have been included in the questionnaire. The questionnaire is in two parts; Part I covering the basic aspects of joint consultation and part II covering supplementary factors.

### SAMPLES

5.3 The total strength of the corporation is about 75,000 (excluding labours) spread all over the country. In view of the time the field employees could not be covered in the sample. The selected employees of the sample were limited to the H.O. and Z.O. located at Delhi.

5.4 The questionnaire was circulated to about 150 officers and employees working in the above offices (representing about 16% of the strength); and it was also circulated to office-bearers of the staff association and employee's union and some officers of the management. The employees on whom the questionnaire was served, represent a good cross-section of the employees of the corporation in all the cadres of the corporation, i.e. General cadre, Accounts cadre, quality control cadre, Engineering cadre, Godown cadre, legal cadre etc. Similarly, care has been taken to ensure that employees belonging to the three main groups, viz. those transferred from the Department of Food under Section 12-A of the Food Corporation Act, direct recruits and deputationist working in the corporation are covered.

5.5 Each employee/representative was given the 20 items questionnaire individually and was requested to indicate his personal opinion on the questions by putting a check mark against the relevant column - Yes/No/No opinion.



The employee was requested to be frank in his opinion as it was an anonymous survey; besides, no member of the management would have occasion to go through the answers of individual employees. A small introductory talk explaining the purpose of the survey was given to the employees in order to establish a rapport with them. The respondents took about 15 to 20 minutes to fill up the questionnaire.

5.6 Out of 150 employees, 100 have responded (representing about 6% of staff in Delhi). The details of those who have responded are as under :-

CATEGORY I OFFICERS	17 ✓
CATEGORY II OFFICERS	25
CATEGORY III OFFICERS	48 ,
CATEGORY IV OFFICERS	10
	<hr/>
	100 .
	<hr/>

The group-wise response is :-

TRANSFREES	43
DIRECT RECRUITS	43
DEPUTATIONISTS	14
	<hr/>
	100
	<hr/>

#### VALIDITY AND RELIABILITY

5.7 In a broad sense, the validity of a questionnaire refers to the degree to which the questionnaire is capable of achieving the aims or purpose, it is intended to serve.

Validity is always stated in relation to some particular context. A questionnaire may be valid for a certain survey but may be totally irrelevant for another. It is, therefore, necessary to establish a relationship between the questionnaire and the criteria. Except one or two respondents out of the hundred schedules, the replies have been satisfactory and relevant. This indicates the response shown is fairly representative and valid.

5.8 The reliability of questionnaire is the degree to which it can measure consistently when ever it is to measure. As indicated above before finalising the questionnaire the initial draft questionnaire was tried on ten respondents. The response was fairly consistant and brought out the information relevant to the study.

#### TABULATION/ANALYSIS OF INFORMATION

5.9 The replies recieved from the hundred respondents have been tabulated as indicated below :-

- (1) Table 1 : The overall response of all the hundred employees.
- (2) Table 2 : Category wise response (Cat. I,II,III & IV)
- (3) Table 3 : Group wise response transferees, direct recruits and deputationists.
- (4) Table 4 : The response of the representatives of the Association/Union.
- (5) Table 5 : The response of the representatives of the management.

5.10 The above information has been analysed to find out the image of collective bargaining among the employees of the Corporation. The response in respect of three important aspects of collective bargaining has been brought out in groups 1?2 and 3.

#### DIFICULTIES AND LIMITATIONS

5.11 The project study should be read with the following qualifications :-

The study was conducted only among employees of the corporation posted in the H.O. and Z.O. and Regional Offices, Delhi. To this extent it is only a partial study though covering important segments of the employees. However, care has been taken to see that employees of all categories, cadres and groups have been given proper representation in the survey.

It is impossible that a general survey covering a wider range of employees in all the zones may reveal a slightly different opinion range. Though such difference may be of a minor nature, it would be worth while to bear this limitation in mind before reaching a general conclusion. For a thorough project study of this nature undivided attention for about four months would be necessary. For obvious reason this could not be done.

CHAPTER VI

FINDINGS OF THE SURVEY

6.1 The over all image of collective bargaining among the respondents is very encouraging (Table 1) 64% of the employees find that the process of collective bargaining has been useful and 75% think that the general impression is "good". As regards success, 82% consider that it has been either successful or very successful. Equally affirmative is the response to the question whether Association/ Union can make satisfactory progress without strikes. 74% answered it in the affirmative against a mere 16% who thought otherwise 10% were neutral.

6.2 GENERAL IMPRESSION ABOUT JOINT CONSULTATION  
(QUESTION - 1,11 & 19)

The information in regard to the general impression as reflected in replies to questions - 1,11 and 19 is tabulated below :-

	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
I. Whether the process of joint consultation has been very useful.	64%	16%	20%
II. Whether joint consultation during the last 10 years has been successful (Please see graph 1)	82%	18%	

	<u>VERYGOOD</u>	<u>GOOD</u>	<u>Bad</u>
19. General impression among employees about employee-employer relation.	12%	75%	13%

6.3 The general image of the whole process of joint consultation is the end result of an employee's experience, recollection and impression. The above responses show that a large majority of the employees of the Corporation feel satisfied, by and large, with the existing process.

6.4 The views of the Association/ Union leaders are also more or less the same. Six out of eight Association leaders and four out of six union leaders consider that the process of joint consultation has been very useful in the corporation. All the five officers of the management, who have responded to the questionnaire have also expressed the view that joint consultation has been very useful.

#### 6.5 FREQUENCY (QUESTION 2 AND 3)

35% of the employees are satisfied with the existing frequency, i.e. half-yearly, while 51% have shown negative response. Of the latter, 42% prefer quarterly consultation and 9% want meeting every month.

6.6 The majority of Association/Union leaders also feel that the frequency of the joint consultation meetings should be quarterly. Seven out of eight

Association leader and four out of six union leaders have expressed the view that the existing frequency is not good enough.

6.7 The industrial relations in the corporation have not yet settled down because of the non-absorption of employees in the Corporation. After they are absorbed and integrated and after the management recognises a representative union, halfyearly meetings maybe appropriate. At present however, there seems to be some justification for holding quarterly meetings.

6.8 ATTITUDE OF MANAGEMENT TOWARDS JOINT CONSULTATION  
( QUESTION-4 AND 13 )

	<u>Yes</u>	<u>No</u>	<u>No Opinion</u>
(4) Whether attitude of management has been positive.	39%	16%	45%
(13) Whether the management wants to discourage the Association/union.	21%	29%	50%

6.9 Neutral response in both the cases is more than the positive. This is very significant from the point of view of the management. It shows that either there is lack of interest on the part of the employees to know about the attitude of the management or the management/association/union do not take the trouble of informing the rank and file of the process of Collective bargaining. Whatever be the reason the

lack of communication on an important topic of this nature is not conducive to good labour relations in the long run. The response from the association/union leaders is also neutral or negative.

6.10 EFFECTIVENESS OF JOINT CONSULTATION (QUESTIONS 6, 7 AND 19)

	<u>Yes</u>	<u>No</u>	<u>Very rarely</u>
(6) Whether Association/union, contribution has been significant in the revision of pay scales, removing stagnation and improving promotional prospects.	60%	18%	22%
(7) Association brought specific improvements in allowances, bonus, working condition, welfare activities.	58%	15%	27%
(17) Whether the problems of the rank and files have been properly put forward by the leaders (Please see graph 2)	45%	14%	41%

The corresponding response for the above questions from the Association/union leaders and the officers of the management are indicated below :-

<u>QUESTION NO.</u>	<u>ASSOCIATION</u> (Total 8)			<u>UNION</u> (Total 6)			<u>MANAGEMENT</u> (Total 5)		
(6)	6	1	1	2	1	3	5	-	-
(7)	4	1	3	4	1	1	4	1	-
(17)	8	-	-	4	2	-	2	1	2

6.11 Analysis of responses indicates that a majority of the employees are convinced of effectiveness of collective bargaining. In response to question 17, a large number of employees have voted neutral. This again shows that either the Association/union has really not been able to put forth the problems of rank and file before the management or there is lack of communication within the Association/Union. Just as Communication is important in any organisation, it is important to an association/union. Unless the feed back is there to the members, they do not feel confident about the whole process of joint consultation. Both the management and the Association/Union should try educate the rank and file.

6.12 EFFECT OF TWO BODIES ON JOINT CONSULTATION  
( QUESTION 5 AND 14 )

	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
(5) Because of existence of two bodies bargaining could not be effective.	65%	19%	16%
(14) Merger of both the bodies would improve industrial climate in the corporation.	<u>YES</u> 70%	<u>NO</u> 11%	<u>CAN'T GUESS</u> 19%

6.13 It will be seen that a majority of employees feel that existence of two rival bodies is a hindrance and that a merger would improve the employer-employee



relationship. The association and the union represent two different and distinct groups of employees and as such some sort of conflict in their demands cannot be ruled out. It is interesting to note that the association and the union leaders also consider that the existence of the two bodies has reduced their effectiveness in bargaining with the management. Six out of eight association leaders and four out of six union leaders expressed this opinion. On the question whether merger of both the bodies would improve the industrial climate, however, the opinion is not definite. While the association leaders feel that such a merger would definitely improve the climate, a majority of the union leaders feel otherwise, possibly, the union leaders feel that if a merger takes place at this stage, they would be submerged being smaller body. The absorption of Food Departments employees is being finalised and it is in the interest of the organisation and also the employees if both the bodies are merged into one union. However, the management should take initiative and ensure that the union leaders also get their due share in such a combined body.

6.14 LONG TERM AGREEMENT (QUESTION 8)

	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
(8) Whether a long-term agreement is preferable.	64%	16%	20%

6.15 Majority have responded in the positive to the above query. At present biannual meetings are separately held with the association and the union but no formal contract as such is signed with either of them. The normal practice in most of the enterprises now (including some of the Public sector undertakings) is to sign a long-term agreement to avoid strikes/lockouts and to ensure a definite rate of production.

6.16 A majority of the association/union leaders also feel the same way.

6.17 This indicates conducive attitude of the employees for a long-term agreement. It would be advantageous for the management to initiate such an agreement.

6.18 ALTERNATIVES TO JOINT CONSULTATION (QUESTIONS 9,10)

	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
(9) Whether Association/ union can make progress without strikes.	74%	16%	10%
	<u>CONCILIATION</u>	<u>VOLUNTARY ARBITRATION</u>	<u>STRIKE</u>
(10) Alternative in case of failure of joint consultation.	49%	39%	12%

6.19 Only 16% have voted in favour of strikes in response to question 9 while 12% have favoured strikes in response to question 10. To 88% of the employees, conciliation/voluntary arbitration is preferable to strike. This clearly indicates that the majority of the employees do not like a militant approach in their bargaining.

6.20 The response of the association/union leaders is indicated below :-

QUESTION NO	<u>ASSOCIATION</u> (Total 8)			<u>UNION</u> (Total 6)		
	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
(9)	6	-	2	3	2	1
	<u>CONCILLI ATION</u>	<u>VOL. ARB.</u>	<u>STRIKE</u>	<u>CONCILL ATION</u>	<u>VOL. ARB.</u>	<u>STRIKE</u>
(10)	4	2	2	4	-	2

Most of them consider that the Association/union can make progress without resorting to strikes and that in case of failure the issues should be settled by conciliation or voluntary Arbitration.

6.21 The officers of the management also feel the same. The response is very health.

6.22 INITIATIVE OF THE ASSOCIATION/UNION (QUESTION 12)

	<u>YES</u>	<u>NO</u>	<u>DOUBTFUL</u>
(12) Whether the association/union has been taking initiative in playing a positive role in :-			

	<u>YES</u>	<u>NO</u>	<u>DOUBTFUL</u>
(a) improving the performance of employees.	36%	34%	30%
(b) Safeguarding the interests of the organisation.	47%	17%	36%
(c) Safeguarding the interest of the public whome the corporation is expected to serve (please also see graph 3)	36%	17%	47%

6.23 The opinion is sharply divided on this important issue. If "doubtful" and 'no' response are added, they form a majority. It indicates that association/union have to take positive steps in improving the efficiency of the employees. If the organisation is inefficient, it is going to affect the employees adversely more than any body else; the association/union should not be carried away by the short-term gains which can sometimes be misleading. It is the primary duty of each association/union to see that the size of the 'cake' is first increased before claiming a bigger share of the 'cake'.

6.24 A majority of the officers of the management have also expressed the view that the association/unions has not contributed much in improving the performance of the employees or safeguarding the interests of the organisation or that of the public.

It is, however, interesting to note the response of the Association/union leaders to this questions. An over whelming majority of them feel that the Association/has played a significant role in these matters. The following table brings out their replaes :-

QUESTION NO.	<u>ASSOCIATION</u> (Total 8)			<u>UNION</u> (Total 6)		
	<u>YES</u>	<u>NO</u>	<u>DOUBTFUL</u>	<u>YES</u>	<u>NO</u>	<u>DOUBTFUL</u>
(12) (a)	6	1	1	5	-	1
(b)	6	1	1	5	-	1
(c)	5	2	1	5	-	1

6.25 While the opinion expressed by the leaders is understandable. An objective assesement based on the general opinion of the rank and file of Association/ union is not significant.

6.26 GROUPISM IN ASSOCIATION/UNION (QUESTION 15 & 16)

	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
(15) Whether the Association/union safeguards the interests of employees in general instead of certain groups.	45%	20%	35%
(16) Whether staff can easily approach the president/general secretary Association/ union.	74%	8%	18%

6.27 While the response to question no. 16 is positive (indicating the popularity of the Association/union leadership) the over all impression in regard to question no. 15 is negative (adding the "No opinion" group with 'No' group). As expected the Association/union leaders have expressed the view that they have been safeguarding the interest of employees in general and no certain groups.

6.28 WORKER'S PARTICIPATION (QUESTION NO. 18)

	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
(18) Whether nomination of one or two representative on the board would improve industrial relations in the corporation.	77%	7%	16%

6.29 The response of the Association/union leaders and of the management is as given below :-

QUESTION NO	<u>ASSOCIATION</u> (Total 8)			<u>UNION</u> (Total 6)			<u>MANAGEMENT</u> (Total 5)			
	YES	NO	NO OP- INION	YES	NO	NO OPI NION	YES	NO	NO OP INION	
18	7	-	1	5	-	1	1	2	2	

6.30 The opinion in favour of workers participation is overwhelming so as the employees and the leaders are concerned. (The officers of the management do not,

to locate future leaders for these bodies. There must be a constant search for locating and training potential leaders who can take charge of the arduous duties of Association/union in course of time.

#### 6.33 CATEGORYWISE AND GROUP-WISE RESPONSE

Analysis of response given in table 3 and 2, i.e. category-wise and group-wise reveals that it follows broadly the normal pattern as revealed in table 1. The deviation, if at all, are not significant. In a way, this indicates that the employees feel more or less the same way about the process of Collective bargaining irrespective of their category; the group to which they belong has also not made any particular difference to the response. This is a very healthy trend and is indicative of the objectivity of the management to all groups/categories of employees.

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## CHAPTER VII

### CONCLUSION AND RECOMMENDATIONS

7.1 Though the management of the Food Corporation is a progressive management and the corporation one of the best pay masters, there have been agitations in the Corporation from time to time. This leads one to the conclusion that the process of joint consultation has not been very successful and that the rank and file have no great faith in the process of consultation. However, the findings of the study are completely surprising and attribute an image to the process of collective bargaining different than the one hypothesised and not as discouraging as normally believed.

7.2 The study reveals that majority of the employees are convinced of the usefulness of collective bargaining as a process for settling industrial disputes and consider that it has been successful in the Corporation.

7.3 The attitude of a majority of the employees to strike is very significant. They consider that Association/Union can make satisfactory progress without resorting to strike and that in case of failure of joint consultation, resort should be had to conciliation and voluntary arbitration. It is all the more encouraging to find a similar view among the Association/Union leaders.



7.4 An over whelming majority of employees have voted for a long term agreement between the management and the Association Union. In view of these feelings of the rank and file, it will be advantageous for the management if it could take initiative in signing a five year contract with them providing a moratorium on strikes/agitation/lock outs.

7.5 In a modern organisation, men constitute the most important element in comparison to the other three money, material and machines. It is more so in an organisation like the Food Corporation of India. Be it in procurement, storage, movement and, infact, every facet of the activities of the corporation the staff plays a very pivotal role, unlike other under takings. Machines and materials play a secondary role in the Food Corporation. Their attitudes can mean either total success or failure of an operation. As the study reveals a very encouraging and healthy attitude of the rank and file, the management should try to preserve and mature this attitude.

7.6 There are at present two bodies bargaining with the management. To some extent it reduces the effectiveness of bargaining and also creates difficulties for the management. Contrary to popular belief it is not so easy to apply the principles of "Divide and Rule" to the employee -employer relations in an organisation. It is in the interest of the

Corporation to merge both the bodies into a single representative body to ensure smooth industrial relations. The final transfer of the Food department employees is about to be finalised and thereafter management could take some initiative (atleast informally) to bring them together. Given an attitude of cooperation and good-will it should not be difficult. In some regions, there is already some overlapping of membership between both the bodies.

7.7 One significant fact which needs to be mentioned is that the leadership of the Association/Union is completely from within. In some of the public sector undertakings the unions are headed by political leaders with disastrous consequences sometimes; the employees are reduced to the status of pawns and manipulated by the political leaders to their own advantage. The Food Corporation is fortunately spared of this political interference. The management and the leaders of the Association/Union should foster this trend by encouraging internal leadership of the Association/Union.

7.8 The study reveals that the rank and file honestly consider the contribution made by the Association/Union in improving the efficiency of the employees as insignificant. This is an important pointer. The general but mistaken belief that the objectives of the management and the workers

are quite different and opposed has no basis. In the long run, they should share the same objectives. This is no where more clear than the field of employee efficiency. The Association/Union should not feel that it is only for the management to consider this question. They should realise that the pressure for an increased share of the "cake" can prove detrimental on their part without at the same time increasing the size of the cake. Both the employees and the organisation, in the final analysis will realise that the size of the cake can never be increased without improving the efficiency of the employees. These bodies should, therefore, play a more positive and active role in this behalf.

7.9 The study high-lights the lack of communication between the management and the employees on the one hand and between the Association/Union leadership and its members on the other. The process of transmitting and receiving information, is so fundamental to the practice of management that without it an organisation can not survive successfully for long. Without a proper communication system, one can not possibly practice human relations, Motivate people or exercise the function of leadership.

7.10 Generally downward communication is taken of in most of the organisations. As equally important but generally neglected line of communication is the upward communication.

Upward communication is the only means by which management can determine if the information it has transmitted has been received and understood. Workers should be encouraged to bring their points of view into the open. The management should also keep them informed about collective bargaining by suitable handouts, with particulars reference to the attitude of the management on important issues.

7.11 Similarly, the Association/Union leaders should keep the rank and file informed of the development, unless there is feed back to the members they may not feel encouraged about the whole process of bargaining.

7.12 77% of the employees feel that nomination of one or two of their representatives on the Board would help more or less. Accepted this in principle, the management has also taken up this issue for implementation.

7.13 To sum up; The process of collective bargaining has been accepted by the employees as a very useful instrument in sorting out their disputes with the management and given a co-operative attitude on both the sides there is no reason why the industrial relations in the corporation should not end up with the last phase of the communication. viz. Union management co-operation discussed in chapter I of the study.

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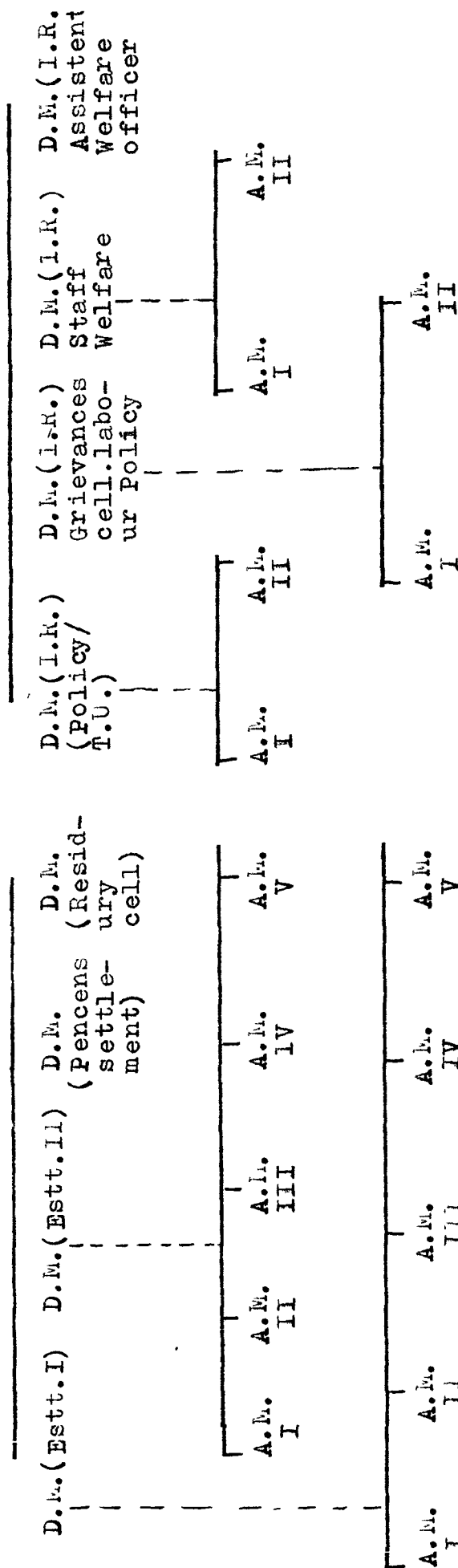
MANAGING DIRECTOR

CHIEF COMMERCIAL MANAGER

MANAGER (Industrial Relation)

PERSONNEL TANNER

JOINT PERSONNEL MANAGER



Assistant Managers are given different departments like Recruitment, Promotion, Training, Posting & Transfer, work storage, Framing of establishment policy, Integration of cadres and staff senction etc.

E.I. - Deals with all matters pertaining to category I/II officer.

E.11 - " " " " " Ill/IV employees.

A P P E N D I X . I I

AN OPINION SURVEY TO FIND OUT THE ROLE OF ASSOCIATION/  
UNION IN JOINT CONSULTATION IN THE FOOD CORPORATION OF  
INDIA

Please note that your answers are confidential and no one in the management will see the individual answers as it is an academic survey. You are request to express your opinion honsetly.

DEFINITIONS

Association :- The word "Association" regers to the All India Central Government Food Employees Association.

Union :- The word "Union" refers to the Food Corporation of India Employees Union.

1. Your name : (Only initials need to be given. as K.A., D.S.etc.)
2. Age as on 1-1-1982
3. Designation
4. Cadre : (General, Accounts,etc.)
5. Date of joining
6. Male/Female
- 7; Married/Unmarried
8. Number of dependents :-

QUESTIONNAIRE

1. MAJOR ASPECTS OF COLLECTIVE BARGAINING

(Please one of the column)

- |    |  |                  |                |                   |
|----|--|------------------|----------------|-------------------|
| 1. | The process of joint consultation has been very useful in the corporation.   | <u>YES</u>       | <u>NO</u>      | <u>NO OPINION</u> |
| 2. | The present frequency of joint consultation (Halfyearly) at top management level is satisfactory.                          | <u>YES</u>       | <u>NO</u>      | <u>NO OPINION</u> |
| 3. | If not satisfactory, should it be.   | <u>QUARTERLY</u> | <u>MONTHLY</u> |                   |
| 4. | The attitude of the management has been positive during discussion.  | <u>YES</u>       | <u>NO</u>      | <u>NO OPINION</u> |
| 5. | Because of the existence of two bodies i. e. Association and union bargaining with management could not be very effective. | <u>YES</u>       | <u>NO</u>      | <u>NO OPINION</u> |
| 6. | The contribution of the Association/union  |                  |                |                   |

has been significant  
in :-

a) revision of pay scales (of at least certain post) in the corporation.	<u>YES</u>	<u>NO</u>	<u>VERY RARELY</u>
---	------------	-----------	--------------------

b) removing stagna- tion in certain ca- dres.	<u>YES</u>	<u>NO</u>	<u>VERY RARELY</u>
---	------------	-----------	--------------------

c) improving the pro- motional prospects of the employees.	<u>YES</u>	<u>NO</u>	<u>VERY RARELY</u>
--	------------	-----------	--------------------

7. The Association/union  
has bargained and bro-  
ught specific improve-  
ments in respect of

	<u>YES</u>	<u>NO</u>	<u>NEGLECTIBLE</u>
--	------------	-----------	--------------------

(i) Allowances  
(ii) Bouns  
(iii) Working Condition  
(iv) Welfare activi-  
ties such as spo-  
rts, canteen etc.

8. A long term agreement  
or contract between  
management and the  
Association/union is  
going to improve Indu-  
strial relation.

	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
--	------------	-----------	-------------------



9. The Association/union YES NO NO OPINION  
make satisfactory progress without strikes.
10. Alternative in case CONCILIATION VOLUNTARY ARBITRATION STRIKE  
of failure of joint consultation.
11. Joint consultation VERY SUCCESSFUL SUCCESSFUL NOT SUCCESSFUL  
During the last 10 years has been

# 11. GENERAL

12. The Association/union has been taking initiative and playing positive role in :- YES NO DOUBTFUL
- (a) improving the performance of the employees.
- (b) Safeguarding the interests of the organisation.
- (c) Safeguarding the interests of public whom the corporation is expected to serve.

- |     |  |            |           |                    |
|-----|--|------------|-----------|--------------------|
| 13. | The management wants to discourage the Association/union.  | <u>YES</u> | <u>NO</u> | <u>NO OPINION</u>  |
| 14. | Merger of Association/union would further improve the industrial relation.   | <u>YES</u> | <u>NO</u> | <u>CAN'T GUESS</u> |
| 15. | The Association/union safeguards the interest of employees in general, instead of certain groups.                    | <u>YES</u> | <u>NO</u> | <u>NO OPINION</u>  |
| 16. | Staff can easily approach the president/general secretary of the Association/union.                                  | <u>YES</u> | <u>NO</u> | <u>NO OPINION</u>  |
| 17. | The problems of rank AND file have been properly put forward by the Association/union leaders before the management. | <u>YES</u> | <u>NO</u> | <u>NO IDEA</u>     |
| 18. | Nomination of one or two representatives of the employees on the Board would improve industrial relation.            | <u>YES</u> | <u>NO</u> | <u>NO OPINION</u>  |

19. The general impression VERYGOOD GOOD BAD  
among employees about  
employee-employer re-  
lations in the corpo-  
ration.
20. Given an oppurtunity, YES NO NO OPINION  
I would like to take  
more active part in  
the association/union  
activities.

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A P P E N D I X -III

COPY OF THE HEAD OFFICE CIRCULAR NO.1-1/68-I.R.

DATED 25th NOV., 1968.

To,

All Zonal Manager/All Regional Manager

Sir,

SUBJECT :- Industrial Relation between  
the management and the employees-Machinery for joint  
consultation.

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At present there are more than one Association/Union of Food department transferess and directly recruited employees in Food Corporation of India with their numbers unites functioning at different Levels in the Corporation. No formal procedure in regard to joint consultation has so far been laid down in the Corporation with the result that no uniform pattern is being followed at present by the various units of the existing Association/Union in addressing their representations to the management and meeting them for the purpose either periodically or ad-hoc whenever necessary. In order to streamline the existing procedure and to maintain a proper and harmonious relationship between the management and its employees at different levels of the organisation, it is proposed

to setup an informal machinery at Head quarters. Zonal, and Regional levels. Till a policy for recognition of registered trade unions or association, is determined, the machinery will be informal in character. The main feature of the scheme are set out in the succeeding paragraph.

1. There will be periodical meetings at different levels as shown below :-

Level of Authority	Frequency of meetings	Corresponding Level of Trade union body	Nature of issues to be discussed
Head-Quarters	Half-yearly	All India Body	General policy issues affecting all regions.
Zones	Quarterly	Regional Bodies	General policies and issues affecting the erstwhile Food department regions or the regions in the present Zones.
Regions	Every alternative month	State unit Bodies	General policies and issues affecting Food Corporation of India regions.

NOTE :- Grievances or issues relating to individuals shall not be raised at the above meeting except those bearing on policy or common issues.

2.           The above meetings will be informal. The items of the agenda will be drawn up in advance and after the meetings are over, brief notes on operational points discussed will be prepared and circulated.
3.           It would also be open to the Association/Union to ask for ad-hoc meetings at various levels mentioned above, to discuss matters of urgent importance which can not await the holding of the periodical meeting. Such meetings, may be agreed to at the discretion of the management and may generally be held with the officer dealing with establishment matter or any other officer so nominated by various authorities.
4.           A part from above, the Association/Union will have access to the various authorities at Headquarters, Zonal and Regional levels, through correspondence, addressed to them for redress of grievances and other policy issues capable of disposal at the level. Such letters will be addressed by the bodies corresponding to levels shown in para 1 above. The authorities to whom letters are addressed shall ordinarily give replies to all important communications received by them.
5.           In this connection a note indicating broadly the guiding principles that should govern

the addressing of representations to management  
by Association/Union is also attached.

6. The above arrangement will come into force  
immediately.

Yours faithfully,

Sd/-  
( I.S.KALSAL )  
JOINT MANAGER  
( PERSONNEL )

Copy to :-

All Heads of division at the H.Q.  
Additional Commercial Manager, H.Q.  
P.S. Managing Director  
P.A. Secretary  
J.M. (Storage & Contracts)  
Blue Reading File.

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A P P E N D I X -IV

NINETY NINTH MEETING - BOARD OF DIRECTOR - NEW DELHI

14th JUNE 1976

ITEM No.7

W.P.Mgt. - IMPLEMENTATION OF SCHEME IN  
FOOD CORPORATION OF INDIA.

Members of the board are aware that one of the items in the 20 point socio-economic programme of the Prime-minister relates to the introduction of a scheme for Worker's participation in industries particularly at shop floor level. A scheme to this effect was drawn up by the Ministry of Labour and published in the Gazette dated 30.10.1975. The scheme envisages the management to evolve the most suitable pattern of representation, in consultation with workers, so as to ensure effective, meaningful and broad-based participation in management.

It has been provided in the scheme that in the first instance the programme is to be implemented in the manufacturing and mining industries, whether in the public, private or corporative sector which have 500 or more workers on their rolls. It provides for shop councils at shop-departments levels and joint councils at the enterprises level. The main functions



of the unit-shop level councils as described in the notification referred to above are to assist the management in achieving optimum efficiency, better service, higher productivity and output, including elimination of absenteeism, wastage, assisting in maintaining the general discipline in the unit, suggesting improvement in the environmental conditions of working and recommending welfare and health measures. In addition to the above functions the joint level councils formed at Regional, Zonal or central level are to discuss matters which have a bearing on other branches/units/shops or on an enterprise as a whole, to take-up the matters emanating from unit councils which remain unresolved, to suggest development of skill of workmen and offering adequate facilities for training, preparation of schedule of hours holidays etc. However, it has been stated that the scheme, not being a statutory obligation, each undertaking should devise a system of communication, suitable to local conditions. A meeting was held on 30.10.1976, in the chambers of Additional secretary (Department of Food), to discuss the implementation of the scheme keeping in view the nature and functions of the undertaking.

After discussion, it was proposed that the Food Corporation of India, should prepare a scheme to provide for worker's participation at depot and processing plant levels where the number of workers exceeded

100 and 50 respectively. It was felt that the question of forming councils at Regional level could be taken up after the policy in regard to recognition of unions was implemented and after taking into account the experience gained by the corporation in the working of depot level councils.

The functions of depot level councils have to be spelt out carefully so that they may not take up matters beyond their purview.

A scheme has accordingly been prepared after obtaining information from Zonal Managers and Regional Managers regarding strength of staff and workers at depots situated within their respective jurisdiction, On the basis of the information received it is proposed to set up 50 depot councils and their shop councils at the processing units.

The Board may kindly accord approval for the scheme. Selection may be made by the management out of such different panels Keeping in view the relevant strength of each union/Association. In case there is dispute/doubt about the strength of such union/Association the workers representative should be elected. The intention is that management in consultation with the workers should evolve the most suitable pattern of the representation of workers result in effective, meaningful and broad based participation of workers. It is again reiterated that the workers mean departmental

workers and all other category I, II & IV, EMPLOYEES and the term workers does not include contractors labour or casual labour/workers.

It is also clasified that even where no departmental is engaged in any depot /plant but the staff strength regular employees is more than 100 in depot and atleast 50 in a plant, the depot/plant council have to be set up in such depots/plants as well. No outsider shall be elected/nominated to such council. All the Zonal Manager/Regional Manager/Distt. Manager are requested to arrange to speedily implement the scheme of W.P.M. and report progress periodically for the information of the Board of Directors.

Kindly acknowledge receipt.

Yours faithfully,

sd/-

( M. PICHAM THU )  
MANAGER (I.R.)

GENERAL RESPONSE TO THE QUESTIONNAIRE

TABLE - 1

1. MAJOR ASPECTS OF COLLECTIVE BARGAINING

	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
1. The process of joint consultation has been very useful in the corporation.	64%	16%	20%
2. The present frequency of joint consultation (Halfyearly) at top management level is satisfactory.	35%	51%	14%
	<u>QUARTERLY</u>		<u>MONTHLY</u>
3. If not satisfactory, should it be.	42%		9%
	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
4. The attitude of the management has been positive during discussion.	39%	16%	45%
5. Because of the existence of two bodies i.e. Association and union bargaining with management could not be very effective.	65%	19%	16%
6. The contribution of the Association/union has been significant in :-			

	<u>YES</u>	<u>NO</u>	<u>VERY RARELY</u>
a) revision of pay scales (of at least certain post) in the corporation.	50%	25%	25%
b) removing stagnation in certain cadres.	63%	14%	23%
c) improving the promotional prospects of the employees.	68%	14%	18%
7. The Association/union has bargained and brought specific improvements in respect of :-	<u>YES</u>	<u>NO</u>	<u>NEGLECTABLE</u>
(i) Allowances	60%	14%	26%
(ii) Bonus	84%	2%	14%
(iii) Working Condition	40%	24%	36%
(iv) Welfare activities such as sports canteen etc.	48%	20%	32%
	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
8. A long term agreement or contract between management and the Association/union is going to improve industrial relation.	64%	16%	20%
9. The Association/union make satisfactory progress without strikes.	74%	16%	10%

	<u>CONCILIATION</u>	<u>VOIUNTRY ARBITRATION</u>	<u>STRIKE</u>
10. <b>Alternative in case of failure of joint consultation.</b>	49%	39%	12%
	<u>VERY SU CCESSFUL</u>	<u>SU CCESSFUL</u>	<u>NOT SU CCESSFUL</u>
11. Joint consultation during the last 10 years has been	9%	73%	18%
<b>II. <u>GENERAL</u></b>			
12. The Association/union has been taking initiative and playing positive role in :-	<u>YES</u>	<u>NO</u>	<u>DOUBT FUL</u>
a) improving the performance of the employees.	36%	34%	30%
b) Safeguarding the interests of the organisation.	47%	17%	36%
c) Safeguarding the interests of public whom the corporation is expected to serve.	36%	17%	47%
	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
13. The management wants to discourage the Association/union.	21%	29%	50%

	<u>YES</u>	<u>NO</u>	<u>CANNOT TELL</u>
14. Merger of Association/ union would further improve the industrial relation.	70%	11%	19%
	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
15. The Association/union safeguards the inter- est of employees in general, instead of certain groups.	45%	20%	35%
16. Staff can easily app- roach the President/ General Secretary of the Association/union.	74%	8%	18%
	<u>YES</u>	<u>NO</u>	<u>NO IDEA</u>
17. The problems of rank and file have been properly put forward by the Association/ union leaders before the management.	45	14%	41%
	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
18. Nomination of one or two representatives of the employees on the Board would im- prove industrial rela- tion.	77%	7%	16%
	<u>VERY GOOD</u>	<u>GOOD</u>	<u>BAD</u>
19. The general impress- ion among employees about employee-emplo- yer relations in the corporation.	12%	75%	13%

	<u>YES</u>	<u>NO</u>	<u>NO OPINION</u>
20. Given an opportunity, I would like to take a more active part in the Association/ union activities.	48%	19%	33%

+++++



TABLE. 2

CATEGORY-WISE RESPONSE TO THE QUESTIONNAIRE

QUESTION NUMBER	CATEGORY.I			CATEGORY.II			CATEGORY.III			CATEGORY.IV		
	1*	2**	3***	1	2	3	1	2	3	1	2	3
	Total	17		Total	25		Total	48		Total	10	
1.	6	3	8	18	2	5	32	10	6	8	1	1
2.	8	5	4	8	15	2	18	23	7	1	8	1
3.	4	1	-	12	3	-	16	7	-	7	1	-
4.	6	1	10	13	4	8	16	19	15	5	-	5
5.	10	4	3	14	5	6	34	8	6	7	2	1
6. (a)	10	1	6	13	10	2	22	11	15	5	3	2
(b)	13	2	2	15	8	2	27	4	17	8	1	1
(c)	12	2	3	18	4	3	30	8	10	8	1	1
7. (i)	10	4	3	15	4	6	30	4	14	5	2	3
(ii)	16	1	-	23	0	2	37	1	10	8	-	2
(iii)	6	5	6	10	8	7	19	10	19	5	1	4
(iv)	10	3	4	13	4	8	23	10	15	2	3	5
8.	13	3	1	14	4	7	31	7	10	3	2	5
9.	14	2	1	20	2	3	32	10	6	8	2	-
10.	7	10	-	18	7	-	19	10	18	5	2	3

Contd.....

11.	-	13	4	4	18	3	8	31	9	1	9	-
12. (a)	2	8	7	10	11	4	20	12	16	4	3	3
(b)	5	4	8	12	4	9	25	11	12	5	1	4
(c)	3	5	9	10	7	8	21	3	24	2	2	6
13.	1	6	10	3	9	13	14	10	24	3	4	3
14.	13	1	3	20	2	3	28	7	13	9	1	-
15.	7	4	6	11	5	9	22	10	16	9	1	-
16.	12	-	5	20	1	4	32	7	9	10	-	-
17.	7	2	8	10	4	11	21	8	19	7	-	3
18.	11	1	5	18	3	4	38	3	7	10	-	-
19.	1	13	3	2	21	2	8	32	8	1	9	-
20.	6	4	7	10	7	8	24	7	17	8	1	1

\* Yes

\*\* No

\*\*\* No Opinion or neutral

TABLE -3

GROUPS RESPONSIBLE TO THE CONSTITUENTS

Question Number	YES			NO			NO OPINION		
	Tr.	DEP	D.R.	Tr.	DEP	D.R.	Tr.	DEP	D.R.
1	32	7	25	4	2	10	7	5	8
2	16	8	11	24	3	24	3	3	8
3	24	2	20	4	1	7	-	-	-
4	27	2	11	3	1	11	13	11	21
5	26	10	29	9	3	7	8	1	7
6 (a)	28	9	13	9	2	14	6	3	16
(b)	33	12	18	6	-	8	4	2	17
(c)	34	11	23	4	1	9	5	2	11
7 (i)	32	10	18	4	2	8	4	2	17
(ii)	39	14	31	1	-	1	3	-	11
(iii)	23	4	13	13	3	8	7	7	22
(iv)	24	6	18	8	3	9	11	5	16
8	29	9	26	5	3	8	9	2	9
9	35	11	28	4	1	11	4	2	4
10	19	6	24	18	8	13	6	-	6
11	7	1	1	31	10	32	5	3	10
12 (a)	18	3	15	17	5	12	8	6	16

12 (b)	20	5	22	9	3	5	14	6	16
(c)	15	4	17	7	4	6	21	6	22
13	11	1	9	11	5	13	21	8	21
14	34	8	28	3	1	7	6	5	8
15	25	4	16	11	4	5	7	6	22
16	34	10	30	3	-	5	6	4	8
17	24	7	14	7	2	5	12	5	24
18	32	9	36	2	2	3	9	3	4
19	7	2	3	32	10	33	4	2	7
20	20	7	21	11	1	7	12	6	15

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Tr. Transfers  
 Dep. Deputationists  
 D.M. Direct Recruits

TABLE - 4

# RESPONSE OF ASSOCIATION/UNION LEADERS TO THE QUESTIONNAIRE

Question Number	ASSOCIATION		UNION	
	YES	NO	YES	NO
1	6	2	4	2
2	1	7	2	4
3	6	1	4	-
4	4	1	2	2
5	6	1	4	1
6 (a)	7	1	1	2
(b)	6	1	3	-
(c)	6	-	3	1
7 (i)	2	3	3	1
(ii)	6	-	4	1
(iii)	5	1	3	1
(iv)	1	1	4	1
8	5	2	4	1
9	6	-	3	2
10	4	2	4	-
11	2	5	-	5
		(TOTAL 8)		(TOTAL 6)

12 (a)	6	1	1	5	-	1
(b)	6	1	1	5	-	1
(c)	5	2	1	5	-	1
13	1	3	4	-	2	4
14	7	-	1	1	3	2
15	7	-	1	3	1	2
16	8	-	-	6	-	-
17	8	-	-	4	2	-
18	7	-	1	5	-	1
19	1	7	-	1	4	1
20	6	1	1	5	-	1

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TABLE. 5

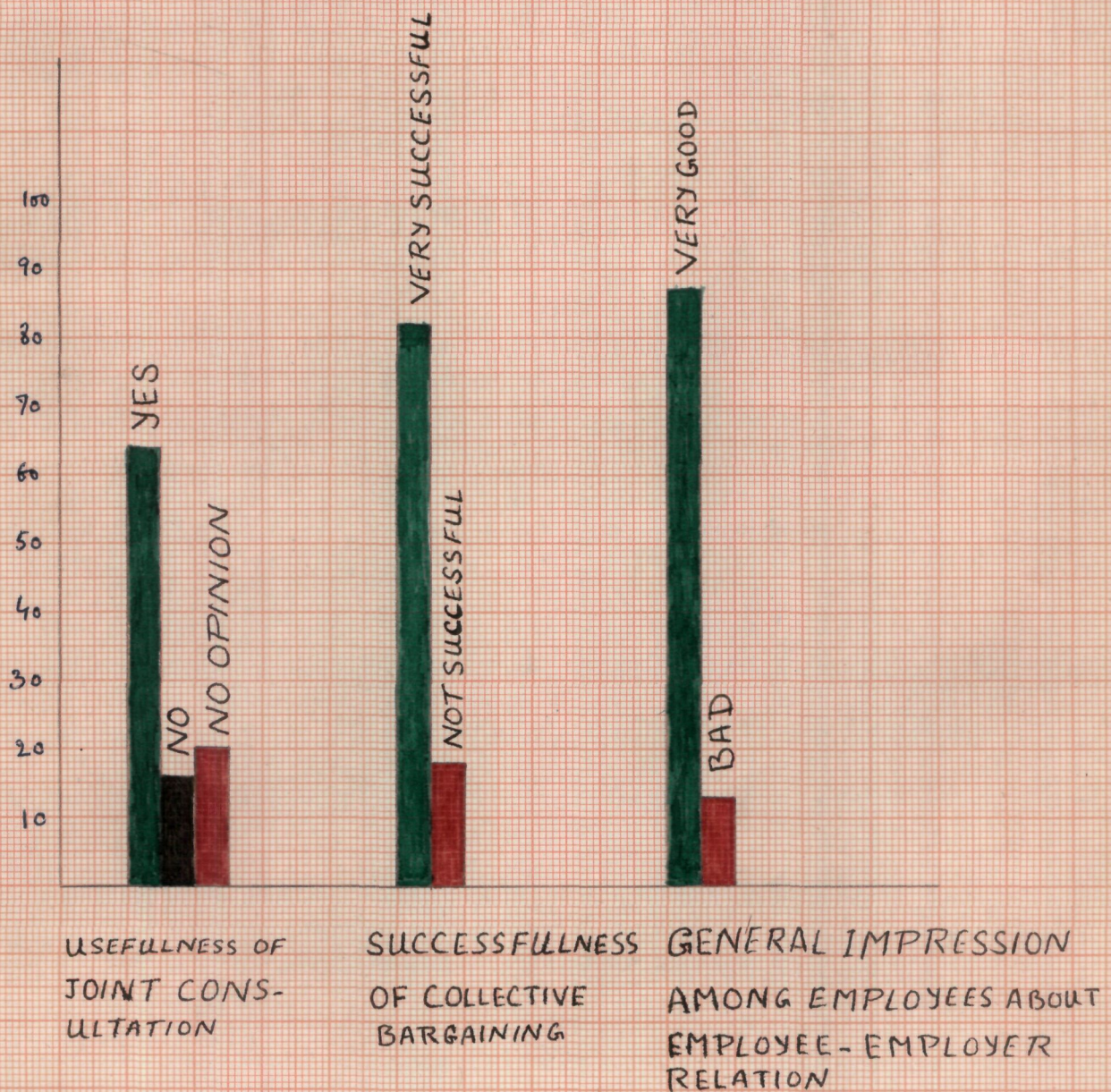
RESPONSE OF OFFICERS OF THE MANAGEMENT TO THE QUESTIONNAIRE

<u>QUESTION NO.</u>	<u>YES</u>	<u>NO</u>	<u>NO OPTION.</u>
1.	5	-	-
2.	5	-	-
3.	-	-	-
4.	2	-	3
5.	2	2	1
6. (a)	4	-	1
(b)	5	-	-
(c)	5	-	-
7. (i)	4	-	1
(ii)	5	-	-
(iii)	3	1	1
(iv)	3	2	-
8.	2	2	1
9.	-	-	2
10.	5	-	-
11.	-	5	-
12. (a)	-	3	2
(b)	1	3	1
(c)	1	2	2
13.	-	5	-
14.	4	-	1
15.	2	1	2
16.	4	-	1
17.	2	1	2
18.	1	2	2
19.	-	5	-
20.	1	3	1



## GRAPH-1

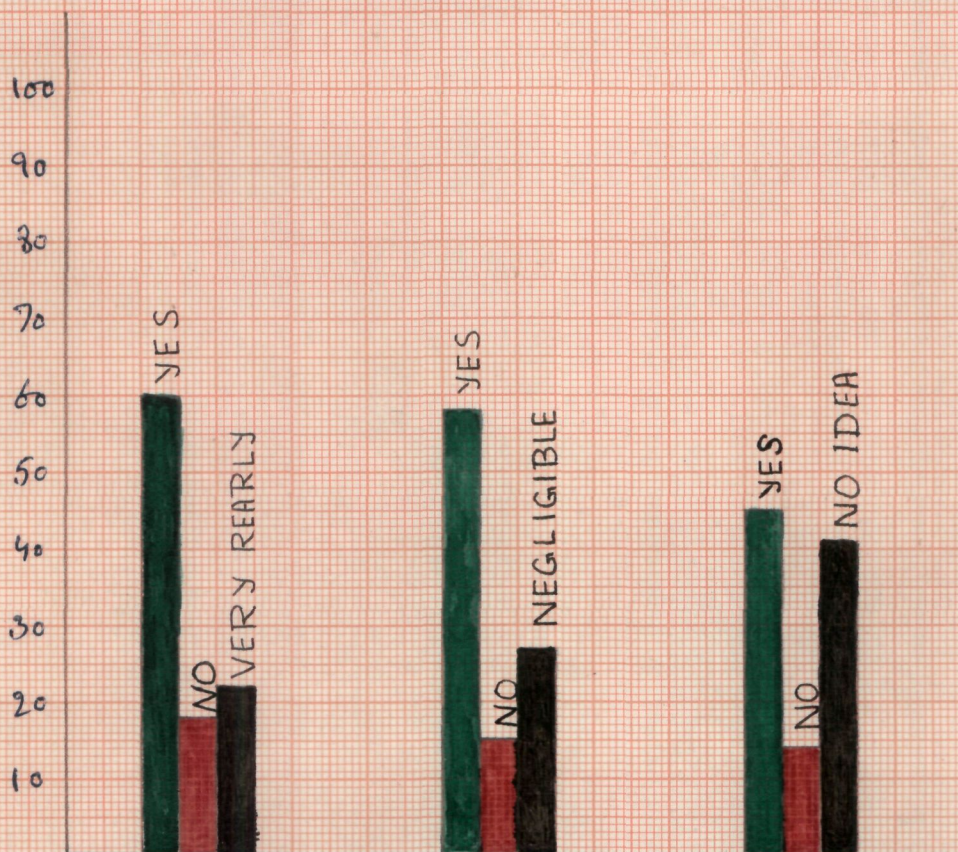
### RESPONSE TO COLLECTIVE BARGAINING.





GRAPH-2

EFFECTIVENESS OF  
JOINT CONSULTATION



WHETHER A/U HAS  
~~BEEN~~ BEEN SIGNIF-  
ICANT IN THE REV-  
ISION OF PAY SCALE,  
REMOVING STAGN-  
ATION & IMPROVIN-  
G PROMOTIONAL  
PROSPECTS.

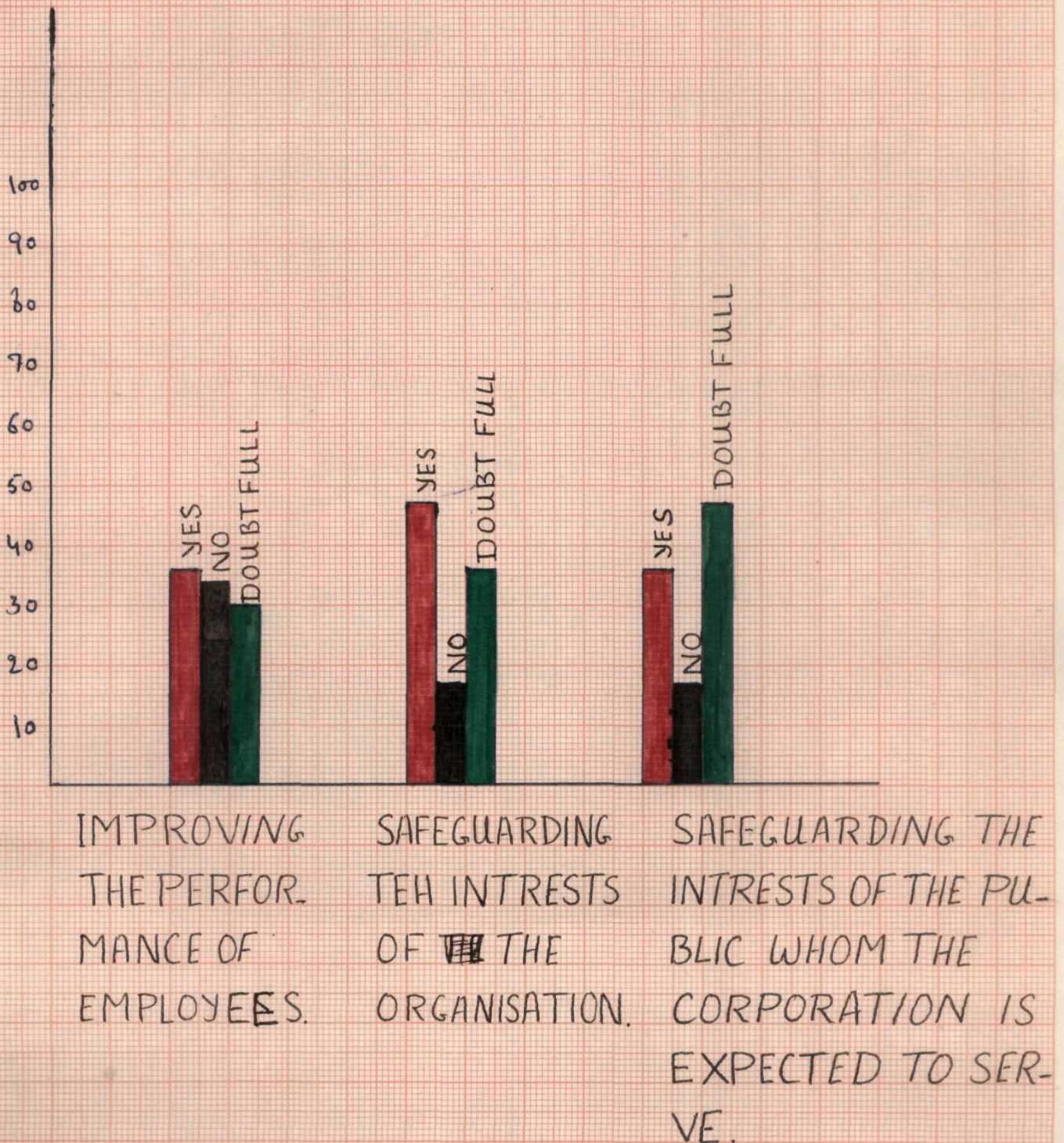
A/U HAS BROU-  
GHT SPECIFIC  
IMPROVEMENT  
IN ALLOWANCES,  
BONUS, WORK-  
ING CONDITIO-  
N & WELFARE  
ACTIVITIES.

WHETHER THE PROBLEMS  
OF RANKS & FILE HAVE BEEN  
PROPERLY PUT FORWARD  
BY THE LEADERS.



## GRAPH-3

WHETHER THE A/U HAS BEEN TAKING  
INITIATIVE IN PLAYING A POSITIVE ROLE  
IN





B I B L I O G R A P H Y

1. Dale yoder - Personnel Management and Industrial Relation.
2. N.F.Dufty - Industrial Relation in India.
3. V.V.Giri - Labour problem in Indian Industry.
4. P.Ghos - Personnel Administration in India.
5. S.T.Williamson & Herbert Harris - Trends in Collective Bargaining.
6. Keith Davis - Human Relation at Work.
7. Edwin B.Flipe - Principles of Personnel Management.
8. Pigors & Myers - Personnel Administration.
9. V.D.Kenndy - Essays on Indian Labour question.
10. Mary Sur - Collective Bargaining.
11. G.D.H.Cole - An Introduction to Trade Unionism.
12. A.V.Ramon Rao - Collective Bargaining VS Government Regulation.
13. Harold J.Laski - Trade Unionism in the new Society.
14. Allen Handers - Trade Unions
15. Flanders & clegg - The System of Industrial Relation in Great Britain.
16. N.R.Catterjee - Industrial Psychology.
17. K.C.Roberts - Industrial relation Contemporary problems and perspectives.
18. Office Mannual - Food Corporation of India.

Contd...

19. Annual Reports - Food Corporation of India.
20. Proceeding of the Indian Labour Conference (12th Session held at Manital on the 8th to 11th October, 1952).
21. Report of the National Commission on Labour.

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